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Saskatchewan

Public Accounts 1987-88

Volume 1

Main Financial Statements

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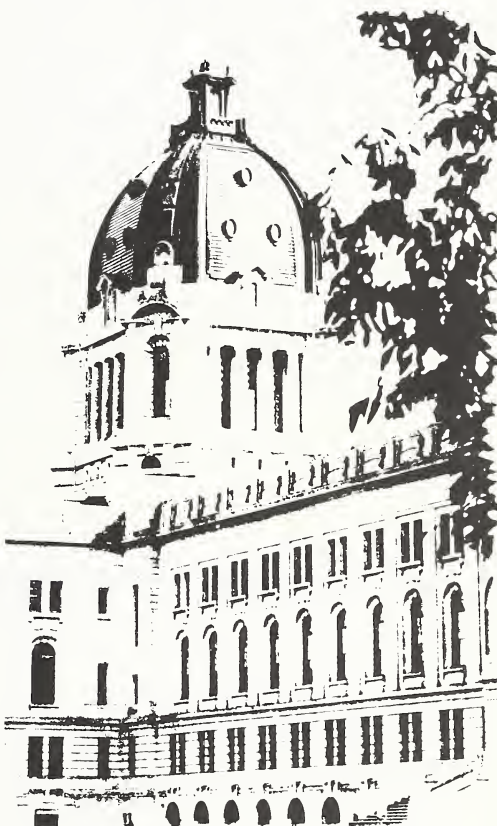
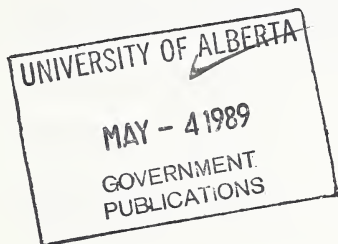


Province of
Saskatchewan


Public Accounts 1987-88

Volume 1

Main Financial Statements



Saskatchewan



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To Her Honour,
The Honourable Sylvia Fedoruk,
Lieutenant Governor of the Province of Saskatchewan.

May It Please Your Honour:

The undersigned has the honour to submit herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1988.

Respectfully submitted,

Gary Lane,
Minister of Finance.

Regina, Saskatchewan
February, 1989

The Honourable Gary Lane,
Minister of Finance.

We have the honour of presenting herewith the Public Accounts of the Province of Saskatchewan for the fiscal year ended March 31, 1988.

Respectfully submitted,

Art Wakabayashi,
Deputy Minister of Finance.
Regina, Saskatchewan
February, 1989

Gerry Kraus,
Provincial Comptroller.

Scope of the Public Accounts

The Public Accounts are organized into three volumes:

Volume 1 — Main Financial Statements

Volume 1 consists of two parts:

- Part A — Financial Statements of the Combined Funds
 - Financial Statements of the Consolidated Fund
 - Financial Statements of the Saskatchewan Heritage Fund

Part B — Additional Information on Debt, Loan, Investment and Deposit Activity

Volume 2 — Supplementary Financial Statements

Summary information on Superannuation, Trust and Special Purpose Funds under the control of the Minister of Finance

Financial statements of Revolving Funds; and

Other financial statements which are not tabled separately in the Legislature.

Volume 3 — Details of Revenue and Expenditure Activity

Summary Revenue and Expenditure Information for the Combined, Consolidated and Heritage Funds.

Consolidated Fund Revenue and Expenditure Details

Heritage Fund Revenue and Expenditure Details; and

Other Information — Statement of Remission of Taxes and Fees.

A Detailed Table of Contents is provided at the beginning of each of the Volumes.

Introduction to the Public Accounts

The Public Accounts include primarily the financial statements of the Consolidated Fund, the Saskatchewan Heritage Fund and the Combined Funds. The Consolidated Fund is the general fund into which all public monies received are credited except where the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a Fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in the Heritage Fund (Saskatchewan) Act. The Combined Funds represents a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund.

The Combined Funds financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature. They are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government of Saskatchewan is responsible. The financial transactions of other crown entities such as provincial crown corporations, agencies, boards and commissions are reported separately. Only those transactions pertaining to the receipt of money from or payment of money to the Combined Funds are reflected in these statements. Accumulated surpluses or deficits of these entities are not included.

A variety of special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity. Summary financial information on these funds is provided in Volume 2 of the Public Accounts.

G. Kraus,
Provincial Comptroller



Part A — Main Financial Statements

Table of Contents — Volume 1

Page

Part A — Main Financial Statements

Government of the Province of Saskatchewan

Combined Funds Financial Statements

Provincial Auditor's Report	1
Statement of Financial Position	2
Statement of Net Debt	3
Statement of Revenue and Expenditure	4
Statement of Loan, Investment and Deposit Activity	6
Statement of Financing and Changes in Financial Position	7
Notes to the Financial Statements	8
Schedules to the Financial Statements	
Schedule 1 — Cash and Short-Term Investments	15
Schedule 2 — Short-Term Loans to Crown Entities	15
Schedule 3 — Loans to Crown Entities	16
Schedule 4 — Other Loans	17
Schedule 5 — Investment in Crown Entities	18
Schedule 6 — Other Investments	18
Schedule 7 — Promissory Notes	19
Schedule 8 — Treasury Bills	20
Schedule 9 — Debentures	21
Schedule 10 — Summary of Sinking Funds	23
Schedule 11 — Amounts Payable to Crown Entities	23
Schedule 12 — Guaranteed Debt	24
Schedule 13 — Summary of Public Debt Transactions	25

Government of the Province of Saskatchewan

Consolidated Fund Financial Statements

Provincial Auditor's Report	27
Statement of Financial Position	28
Statement of Net Debt	29
Statement of Revenue and Expenditure	30
Statement of Loan, Investment and Deposit Activity	32
Statement of Financing and Changes in Financial Position	33
Notes to the Financial Statements	34
Schedules to the Financial Statements	
Schedule 1 — Cash	40
Schedule 2 — Short-Term Loans to Crown Entities	40
Schedule 3 — Loans to Crown Entities	41
Schedule 4 — Other Loans	42
Schedule 5 — Other Investments	43
Schedule 6 — Promissory Notes	43
Schedule 7 — Treasury Bills	44
Schedule 8 — Debentures	45
Schedule 9 — Summary of Sinking Funds	47
Schedule 10 — Amounts Payable to Crown Entities	47
Schedule 11 — Guaranteed Debt	48
Schedule 12 — Summary of Public Debt Transactions	49

**Saskatchewan Heritage Fund
Financial Statements**

Page

Provincial Auditor's Report	51
Statement of Financial Position	52
Statement of Equity	53
Statement of Revenue and Expenditure	54
Statement of Loan Investment and Deposit Activity	56
Statement of Changes in Financial Position	57
Statement of Cumulative Provincial Development Expenditure	58
Notes to the Financial Statements	60
Schedules to the Financial Statements	
Schedule 1 — Cash and Short-Term Investments	63
Schedule 2 — Short-Term Loans to Crown Entities	63
Schedule 3 — Loans to Crown Entities	64
Schedule 4 — Other Loans	64
Schedule 5 — Investments in Crown Entities	65
Schedule 6 — Other Investments	65

Part B — Additional Information

Details of Public Debt Outstanding	68
Interest on Public Debt	77
Summary of Sinking Funds	78
Summary of Loan, Investment and Deposit Activity	79



Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Combined Funds as at March 31, 1988 and the statements of net debt, revenue and expenditure, loan, investment and deposit activity and financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Loans to crown entities include disbursements to the Saskatchewan Property Management Corporation of \$340,836,000 (1987 — \$181,993,000). It is inappropriate to record these disbursements as assets of the Combined Funds since their repayment depends upon future appropriations from the Consolidated Fund. Accordingly, these disbursements should have been recorded as expenditures. If these disbursements had been recognized as expenditures, loans to crown entities would have been reduced by \$340,836,000 (1987 — \$181,993,000), net debt would have been increased by \$340,836,000 (1987 — \$181,993,000) and excess of expenditure over revenue would have been increased by \$158,843,000 (1987 — \$181,993,000).

In my opinion, except for the failure to record disbursements as expenditures as described in the preceding paragraph, these financial statements present fairly the financial position of the Combined Funds as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

For the prior year, my auditor's report indicated the write-down of loans to crown entities was recognized in the year ended March 31, 1987 rather than in the year ended March 31, 1986 when the write-down was required. Consequently, for comparative purposes, the net debt as at April 1, 1986 should be increased by \$135,550,000 and the provision for loss — loans to crown entities for the year ended March 31, 1987 should be reduced by \$135,550,000.

As indicated in Note 1a, these financial statements represent a combination of the financial transactions of the Consolidated Fund and the Saskatchewan Heritage Fund and have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature from the Funds. These financial statements are not summary financial statements as contemplated by the Canadian Institute of Chartered Accountants that would report the financial condition and results of operations of the Government of Saskatchewan in accordance with their economic substance.

Regina, Saskatchewan,
November 28, 1988.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Government of the Province of Saskatchewan Combined Funds

Statement of Financial Position

March 31, 1988

(\$ Thousands)

Assets	1988	1987
<i>Schedule</i>		
1 Cash and Short-term Investments (Note 1e)	\$ (47,089)	\$ (140,975)
2 Short-Term Loans to Crown Entities (Note 1f)	493,170	237,324
3 Loans to Crown Entities (Note 1g)	5,899,650	6,312,370
4 Other Loans (Note 1h)	156,444	190,650
5 Investments in Crown Entities (Note 1i)	824,812	747,230
Investments in Agricultural Land and Related Assets (Note 1j)	149,945	157,175
6 Other Investments (Note 1k)	4,981	6,870
Total Assets	\$7,481,913	\$7,510,644

Liabilities and Net Debt

Public Debt (Note 1l)		
7 Promissory Notes (Note 1l)	\$1,199,380	\$1,762,615
8 Treasury Bills (Note 1l)	650,000	650,000
9 Debentures (Note 1l)	8,373,085	7,394,556
10 Less: Sinking Funds (Note 1l)	(454,552)	(428,110)
	9,767,913	9,379,061
11 Amounts Payable to Crown Entities (Note 1m)	220,392	92,180
Conditional Receipts (Note 1n)	11,039	4,590
Total Liabilities	9,999,344	9,475,831
12 Contingencies (Note 2a)		
Net Debt	(2,517,431)	(1,965,187)
Total Liabilities and Net Debt	\$7,481,913	\$7,510,644

(See Accompanying Notes)

Government of the Province of Saskatchewan

Combined Funds

Statement of Net Debt

For the Year Ended March 31, 1988

	(\$ Thousands)	
	1988	1987
Net Debt, Beginning of Year	\$(1,965,187)	\$(666,051)
Excess of Revenue over Expenditure	(542,447)	(1,232,143)
Sinking Fund Earnings Retained in Sinking Funds	2,548	2,452
Provision for Loss — Loans to Crown Entities	(9,247)	(58,398)
Provision for Loss — Other Loans	(1,516)	(10,931)
Loss on Sale of Land	(1,582)	(116)
Net Debt, End of Year	\$(2,517,431)	\$(1,965,187)

(See Accompanying Notes)

Government of the Province of Saskatchewan Combined Funds

Statement of Revenue and Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

Revenue:	1988	1987
Taxes		
Corporation Capital	\$ 55,218	\$ 48,256
Corporation Income	123,726	118,801
Fuel	161,168	31,541
Individual Income	768,555	692,079
Insurance	20,089	19,543
Mineral Acreage	5,917	3,367
Sales	455,302	356,597
Tobacco	89,810	78,584
Other	7,150	6,387
Total Taxes	1,686,935	1,355,155
Receipts from Government Enterprises and Other Funds		
Profits Transferred from Saskatchewan Liquor Board (Note 2b)	—	140,000
Other	5,905	6,680
Total Receipts from Government Enterprises and Other Funds	5,905	146,680
Other Own Source Revenues		
Agricultural Lands		
Land Sales	7,758	6,490
Lease Revenue	11,681	9,836
Interest and Other	1,242	1,174
Fines, Forfeits and Penalties	9,040	8,846
Interest, Premium, Discount and Exchange	25,407	20,259
Non-Renewable Resources		
Coal	18,439	13,557
Natural Gas	22,178	21,887
Oil	347,261	212,926
Potash	48,899	36,982
Sodium Sulphate	812	1,085
Uranium	19,718	17,807
Other	1,187	763
Privileges, Licences, and Permits		
Lands, Forest, Game, Fur, Fisheries, and Water	11,614	10,970
Motor Vehicles	67,874	61,255
Other	17,479	9,883
Sales, Services, and Service Fees	45,928	40,627
Other	23,660	24,871
Total Other Own Source Revenues	680,177	499,218
Receipts from Other Governments		
Agricultural and Rural Development Act	125	326
Canada Assistance Plan	156,801	160,548
Department of Regional Industrial Expansion	603	1,131
Equalization Payment	302,675	145,665
Established Programs Financing	406,233	409,307
Manpower Agreements	11,677	19,805
Statutory Subsidy	2,192	2,175
Other Federal Contributions	33,873	50,003
Other	8,602	10,505
Total Receipts from Other Governments	922,781	799,465
Total Revenue	\$3,295,798	\$2,800,518

(See Accompanying Notes)

Government of the Province of Saskatchewan

Combined Funds

Statement of Revenue and Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

Expenditure:	1988	1987
Advanced Education and Manpower	\$ —	\$ 263,822
Agriculture	165,263	298,441
Consumer and Commercial Affairs	5,435	5,174
Co-operation and Co-operative Development	—	2,860
Culture and Recreation	—	21,667
Economic Development and Tourism	13,187	14,497
Economic Diversification and Investment Fund	17,671	—
Education	779,886	437,445
Employment Development Agency	—	203,592
Energy and Mines	19,743	19,530
Environment and Public Safety	12,800	7,296
Executive Council	6,611	11,904
Finance: Interest on Public Debt (Note 11)	282,043	192,587
Other	133,958	28,814
Health	1,183,594	1,165,204
Highways and Transportation	215,473	223,194
Human Resources Labour and Employment	54,329	10,558
Indian and Native Affairs Secretariat	—	2,583
Justice	128,016	112,417
Legislation	11,057	10,110
The Local Government Board	447	447
Local Government Finance Commission	—	234
Northern Affairs Secretariat	—	666
Parks, Recreation and Culture	103,871	58,131
Provincial Auditor	3,230	3,504
Provincial Secretary	2,728	933
Public Participation	729	—
Public Service Commission	9,830	6,120
Revenue and Financial Services	—	135,630
Rural Development	54,378	55,391
The Saskatchewan Assessment Authority	—	4,731
Saskatchewan Crop Insurance Corporation	11,931	17,155
Saskatchewan Housing Corporation	110,584	45,937
Saskatchewan Library	—	8,225
Saskatchewan Property Management Corporation	8,102	—
The Saskatchewan Research Council	7,840	4,081
Saskatchewan Water Corporation	12,456	25,930
Science and Technology	2,434	5,001
Social Services	378,435	355,669
Supply and Services	—	139,076
Department of Telephones	493	463
Trade and Investment	7,473	9,375
Urban Affairs	94,218	123,715
Women's Secretariat	—	552
Total Expenditure	\$3,838,245	\$4,032,661
Excess of Expenditure over Revenue	\$ 542,447	\$1,232,143

(See Accompanying Notes)

Government of the Province of Saskatchewan Combined Funds

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1988

(\$ Thousands)

	1988		1987	
	Disbursements	Receipts	Disbursements	Receipts
Loans				
Agricultural Credit Corporation of Saskatchewan	\$ 400,000	\$ 623,100	\$ 158,400	\$110,045
Crown Investments Corporation of Saskatchewan	792,145	349,125	266,158	188,000
Potash Corporation of Saskatchewan	—	528,020	65,255	5,000
Saskatchewan Economic Development Corporation	7,000	—	26,000	—
Saskatchewan Power Corporation	67,736	29,752	241,111	174,826
Saskatchewan Property Management Corporation	158,844	—	181,993	—
Saskatchewan Water Corporation	—	9,839	—	—
Saskatchewan Telecommunications Corporation	13,597	772	32,598	13,283
Saskatchewan Mining Development Corporation	61,705	229,766	32,628	—
Loan and Sale Agreements	—	834	—	618
NewGrade Energy Inc.	—	60,678	—	—
Other	89,066	60,489	147,666	234,347
Total Loan Disbursements and Receipts	1,590,093	1,892,375	1,151,809	726,119
Investments				
Investment in Agricultural Land and Related Assets:				
Recovery of Investment	944	6,220	429	2,289
Crown Investments Corporation of Saskatchewan	77,583	—	—	—
NewGrade Energy Inc.	—	735	—	—
Other	—	1,154	300	3,787
Total Investment Disbursements and Receipts	78,527	8,109	729	6,076
Deposits				
Crown Entities	520,876	649,089	141,207	106,316
Sinking Fund	19,260	18,837	20,238	19,682
Conditional Receipts	—	6,449	648	—
Redemption of Sinking Funds	—	18,362	—	11,316
Total Deposit Disbursements and Receipts	540,136	692,737	162,093	137,314
Total Disbursements and Receipts	\$2,208,756	\$2,593,221	\$1,314,631	\$869,509
Total Excess of Disbursements Over Receipts (Receipts Over Disbursements)		\$ (384,465)		\$ 445,122

(See Accompanying Notes)

Government of the Province of Saskatchewan

Combined Funds

Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1988

(\$ Thousands)

	1988	1987
Cash Requirements		
<i>Revenue and Expenditure</i>		
Expenditure	\$3,838,245	\$ 4,032,661
Revenue	3,295,798	2,800,518
	\$ 542,447	\$1,232,143
<i>Loan, Investment and Deposit</i>		
Disbursements	2,208,756	1,314,631
Receipts	2,593,221	869,509
	(384,465)	445,122
Net Cash Requirement	157,982	1,677,265
<i>Financing (Schedule 13)</i>		
Proceeds from Debt	10,620,152	10,563,646
Repayment of Debt	10,112,438	8,996,779
	507,714	1,566,867
Net Increase in Cash, Short-Term Loans and Investments	349,732	(110,398)
Cash, Short-Term Loans and Investments		
Beginning of Year	96,349	206,747
Cash, Short-Term Loans and Investments		
End of Year	\$ 446,081	\$ 96,349

(See Accompanying Notes)

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements

For the Year Ended March 31, 1988

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

These financial statements represent a combination of the financial transactions for the Consolidated Fund and the Saskatchewan Heritage Fund. The financial statements have been designed primarily to provide an accounting of the financial resources appropriated by the Saskatchewan Legislature from the Funds. The Consolidated Fund is the general fund into which all revenues over which the Legislative Assembly of Saskatchewan has power of appropriation flow unless the Legislative Assembly has directed otherwise. The Saskatchewan Heritage Fund is a fund established by the Legislative Assembly to receive all nonrenewable resource revenues and certain other revenues as specified in The Heritage Fund (Saskatchewan) Act.

These financial statements are not intended to be summary financial statements that provide a full accounting of the financial affairs and resources of all the entities for which the Government of Saskatchewan is responsible. The financial transactions of other crown entities such as provincial crown corporations, agencies, boards and commissions are reported separately. Only those transactions pertaining to the receipts of money from or payment of money to the Consolidated or the Saskatchewan Heritage Funds are reflected in these statements. Accumulated surpluses or deficits of these entities are not included.

Various special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity.

1b. Principles of Combination

The financial transactions for the Consolidated Fund and the Saskatchewan Heritage Fund are added together, or combined. Transactions between the funds, such as the fund dividend paid to the Consolidated Fund by the Saskatchewan Heritage Fund, are eliminated.

1c. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1d. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt is the difference between recorded liabilities and assets and represents the difference between accumulated revenues and accumulated expenditures. Revenues and expenditures only affect the net debt; financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

• Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

• Revenue

Revenue includes revenues raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

• Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, the acquisition or construction of fixed assets, and interest on public debt and lease payments to the Saskatchewan Property Management Corporation for accommodations, furnishings and equipment. Payments for the acquisition of those fixed assets which are not leased from the Property Management Corporation are also charged to expenditure.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements

1. Significant Accounting Policies

— (Continued)

General Policies — (Concluded)

1d. Classification of Financial Transactions

— (Concluded)

• Lending and Investing

These transactions result from lending and investing functions which include lending and investing activity in various crown entities, other organizations and individuals, in Agricultural Land and Related Assets acquired for resale and the administration of funds held for certain crown entities.

• Financing Activities

Financing activities are the borrowing and repayment transactions and include the borrowing on behalf of various crown entities.

• Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets consist of cash, short-term investments and loans to or investments in crown entities and other organizations and individuals.

The Saskatchewan Property Management Corporation is responsible for certain aspects of capital asset management including the acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. These assets are provided to government departments on a lease basis. Other capital assets are treated as expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

• Revolving Fund Transactions

Various revolving funds have been established to provide services to Government departments or the public. Each of these have statutory authority to make payments out of The Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances to third parties, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans to third parties are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

Specific Policies

1e. Cash and Short-term Investments

• Cash

Cash is the balance on hand in the Combined Funds at March 31, adjusted in accordance with the modified cash basis of accounting as described in Note 1c.

• Short-term Investments

Short-term investments represent those investments purchased under authority of *The Department of Finance Act, 1983* and *The Heritage Fund (Saskatchewan) Act*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

1f. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received from Crown entities on short-term loans is applied to offset the interest paid on the public debt.

1g. Loans to Crown Entities

These loans are made for a period of greater than one year to crown corporations and generally have fixed terms of repayment.

Loans are valued at cost. Loans in foreign currency are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where debentures are issued to obtain funds for making loans, the crown entities are required to provide the funds to repay the debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Consolidated Fund for payments made to the sinking fund. Accordingly, the crown entities' equity (i.e. contributions and earnings) in the sinking funds reduce the recorded value of loans.

Interest received from crown entities is applied to offset the interest expense on the debt issues.

Government of the Province of Saskatchewan

Combined Funds

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies

— (Continued)

Specific Policies — (Continued)

1h. Other Loans

These loans are subject to a variety of interest rates and terms of repayment.

These loans are carried at cost and are revalued when it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1i. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are noninterest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. All write-downs reducing the carrying value of the investment are charged directly to equity.

Dividends from the investments are recorded as revenue.

1j. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged directly to equity.

1k. Other Investments

These investments are carried at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged directly to equity.

1l. Public Debt

Public debt represents obligations arising from borrowing activities to finance operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

• Borrowing on Behalf of Crown Entities

Where debt is acquired for the purpose of funding loans to crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them. All debentures due in foreign currency will be repaid when due by these entities in requisite amounts.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

• Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for general purposes. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.

• Promissory Notes

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term loans to crown entities.

Promissory notes are carried at face value.

In the year of issue, discounts are charged to expenditure.

• Treasury Bills

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund.

Treasury bills are carried at par.

In the year of issue, discounts are charged to expenditure.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies

— (Concluded)

Specific Policies — (Concluded)

1l. Public Debt — (Concluded)

• Debentures

Debentures are issued to finance operations and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities. For reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Many public debentures issued require payments into a sinking fund.

• Sinking Funds

The Consolidated Fund assumes direct responsibility for all payments to sinking funds, however, the Consolidated Fund is reimbursed by crown entities for all sinking fund payments made on debt incurred on their behalf.

The sinking funds invest in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, federal government or federal government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. The sinking funds are subject to noncash calculations regarding earnings in accordance with the following accounting policies:

- Interest income is recorded on an accrual basis.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and, accordingly, are not recorded as revenue but are credited directly to equity.

1m. Amounts Payable to Crown Entities

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

1n. Conditional Receipts

Funds are received for which the ultimate disposition is not immediately known or which are subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "Conditional Receipts". The balance reflected is that for such funds held as at March 31.

1o. Interest on Public Debt

Interest on public debt includes interest paid on promissory notes, treasury bills and debentures, but does not include interest on public debt borrowed on behalf of crown entities (Note 1f, 1g). Total interest expense is \$1,037,576,000 of which \$755,533,000 is reimbursable from the other crown entities resulting in a net charge to the Consolidated Fund of \$282,043,000.

2. Additional Information

2a. Contingencies

• Guaranteed Debt

The Government of Saskatchewan has explicitly guaranteed the repayment of the principal and interest of certain bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31 was \$885,042,000 (\$560,486,000 at March 31, 1987).

The guaranteed debt is not a recorded liability. If events occur which require the Government to assume the repayment of the debt, the payment is recorded as an expenditure of the Consolidated Fund. At March 31, there were no organizations in receivership whose debt had been guaranteed.

• Litigation Matters

There are a number of outstanding litigation matters against the Government of Saskatchewan. The outcomes of these are uncertain and the likely loss, if any, cannot be determined. Any loss resulting from litigation matters will be paid out of the Consolidated Fund. These Claims are:

- A claim by the Canadian National Railway against the Government of Saskatchewan. Approximately \$13 million is claimed by way of recovery of E & H Tax collected with respect to railroad rolling stock and repair bills which the plaintiff now alleges are not incorporated in the Act.
- A claim filed by Chief Myles Venne on behalf of the members of the Lac La Ronge, James Roberts and Amos Charles Indian Bands against the Government of Canada and Government of Saskatchewan. The claim is for approximately 250,000 acres of land in Saskatchewan based on entitlement under Treaty No. 6.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

2. Additional Information

— (Continued)

- A claim filed by the Consumers Co-operative Refineries Limited against the Province of Saskatchewan. The claim is for \$23,000,000 and relates to an Oil and Gas Incentive Grant dispute.
- The Government is also named as defendant in various other legal actions, in excess of \$500,000 totalling approximately \$5.0 million.

• Crop Reinsurance Fund of Saskatchewan

The Consolidated Fund is liable for funding any deficiency arising in the Crop Reinsurance Fund of Saskatchewan. As at March 31, 1988, the Crop Reinsurance Fund of Saskatchewan had a \$35.5 million deficit as a result of crop insurance claims in excess of the accumulated surplus of the Saskatchewan Crop Insurance Corporation — Insurance Operation and the Crop Reinsurance Fund of Saskatchewan. The likelihood of payment to the Crop Reinsurance Fund of Saskatchewan is dependent upon the future level of claims in relation to premiums and therefore is not determinable at this time.

2b. Saskatchewan Liquor Board Profits

The Consolidated Fund receives a portion of the profits of the Saskatchewan Liquor Board as determined from time to time by Treasury Board.

2c. Overcommitments

The financial statements are prepared using a modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded. However, there is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Three departments had overcommitted their appropriations by a total of \$200,825 at March 31, 1988:

	(\$ Thousands)
Agriculture	\$51
Education Development Fund	17
Parks, Recreation and Culture	133
	<u>\$201</u>

The overcommitted figure reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements. Accounts payable are defined to be debts for goods or services received by a department prior to March 31 and which remain unpaid at April 30.

2d. Superannuation

For certain pension plans part of the benefits and/or deficiency arising when the benefits exceed the assets available in the plans are payable out of the Consolidated Fund.

The following is a brief description of these plans:

• Public Service Superannuation Plan

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

• Public Employees (Government Contributory) Superannuation Fund

This is a funded plan, with member contributions being matched by the applicable employer. The employer's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

• Public Employees (Government Contributory) Annuity Fund

In 1985-86 The Superannuation (Supplementary Provisions) Act was amended creating the Public Employees (Government Contributory) Annuity Fund. The related assets and accumulated balances of members who have chosen this annuity option were transferred to the annuity fund from the Public Employees (Government Contributory) Superannuation Plan and all annuities are paid out of the Fund. Upon retirement, an employee is entitled to receive a guaranteed life annuity provided by the amount standing to his credit in the Fund at the time.

• Teachers' Superannuation Fund

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 with matching contributions from the Consolidated Fund are also paid into the Fund. Any deficiency arising when retirement benefits and allowances exceed the assets available in the Fund is payable from the Consolidated Fund.

• Teachers' Annuity Fund

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and enter the school system after that date. Teacher contributions are matched by payments from the Consolidated Fund. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

2. Additional Information

— (Continued)

2d. Superannuation — (Concluded)

• Teachers' Supplementary Allowances Fund

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor benefits to dependents of teachers. Teacher contributions are matched by payments from the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

• Members of the Legislative Assembly Superannuation Fund

This is a funded plan, with member contributions being matched by the Consolidated Fund, which also pays an annual amount and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

• Judges of the Provincial Court Superannuation Fund

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation

Fund. Employees do not make contributions. The Consolidated Fund reimburses the Judges of the Provincial Court Superannuation Fund for all payments to superannuates.

• Anti-Tuberculosis League Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

• Saskatchewan Transportation Company Employees Superannuation Fund

Employee contributions are matched by the Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when benefits exceed the assets available in the fund is payable from the Consolidated Fund.

• Saskatchewan Pension Plan

In 1986-87, the Saskatchewan Pension Plan was created. The Plan is voluntary and open to all residents of the Province of Saskatchewan who are between the ages of 18 and 65. Contributions of members are matched by payments from the Consolidated Fund on the basis of an income related formula to a maximum of \$300 annually.

Benefits are based on accumulated contributions to the fund, and accordingly, there is no residual obligation except for any amounts required to supplement the fund for the guaranteed minimum pension. The minimum pension is limited to \$15 per month for each year of contribution to the plan.

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

	(\$ Thousands)		
	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>
Public Service Superannuation Plan	Nov./86	Mar./86	\$ 646,615
Public Employees (Government Contributory) Superannuation Plan			N/A
Teachers' Superannuation Fund	Nov./86	June/86	1,279,000
Teachers' Annuity Fund			N/A
Teachers' Supplementary Allowances Fund			N/A
Members of the Legislative Assembly Superannuation Fund	Jan./87	Mar./86	15,696
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816
Saskatchewan Pension Plan			N/A
			\$1,952,695

Government of the Province of Saskatchewan Combined Funds

Notes to the Financial Statements — (Continued)

2. Additional Information

— (Concluded)

2e. Legal Defeasance

During 1986-87, \$89.3 million, due December 30, 2004, bearing an interest rate of 9 5/8% per annum was advanced to Saskatchewan Power Corporation. Saskatchewan Power Corporation completed a legal defeasance of this Advance by placing a promissory note receivable with identical terms to the Advance into an irrevocable trust to be used solely for satisfying the principal and interest payments on the Advance. The promissory note is receivable from an unrelated third party and is guaranteed by the Government of Saskatchewan under a previous agreement. Although the promissory note has been accepted as full and final satisfaction of the Advance, the promissory note remains in the irrevocable trust. Accordingly, these financial statements will continue to reflect a receivable from the Saskatchewan Power Corporation Trust until such time as all claims against the Trust are extinguished. This receivable is included in loans to Saskatchewan Power Corporation as detailed on Schedule 3 — Loans to Crown Entities.

2f. Saskatchewan Property Management Corporation

The Saskatchewan Property Management Corporation is responsible for certain aspects of capital asset management including acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. During 1987/88 the Consolidated Fund paid approximately \$134,488,000 (\$33,514,000 in 1986/87) to the Saskatchewan Property Management Corporation for goods and services received. The Government of Saskatchewan transferred to the Corporation, at no cost, net assets valued at approximately \$343,132,000 (\$89,318,000 in 1986/87).

2g. Comparative Information

Certain of the 1987 figures have been reclassified to conform with the current year presentation, however, with regard to expenditures of the prior year, the figures are reported on the same basis as the Estimates of the prior year.

Government of the Province of Saskatchewan Combined Funds

Schedule 1

Cash and Short-Term Investments

March 31, 1988

(\$ Thousands)

	1988	1987
Cash (overdraft)	\$(56,376)	\$(151,315)
Short-Term Investments	9,287	10,340
	\$(47,089)	\$(140,975)

The market value of the Short-Term Investments at March 31, 1988 is \$9,376,875. (March 31, 1987 \$10,428,962).

Government of the Province of Saskatchewan Combined Funds

Schedule 2

Short-Term Loans to Crown Entities

March 31, 1988

(\$ Thousands)

	1988	1987
Agriculture Development Corporation	\$ 2,000	\$ —
Crown Investments Corporation of Saskatchewan	395,406	\$127,000
Municipal Financing Corporation of Saskatchewan	28,200	22,000
Potash Corporation of Saskatchewan	—	50,000
Saskatchewan Economic Development Corporation	48,664	7,024
The Saskatchewan Government Printing Corporation	2,100	2,100
Saskatchewan Power Corporation	—	20,000
Saskatchewan Mining and Development Corporation	6,000	6,700
Saskatchewan Water Corporation	10,800	2,500
	\$493,170	\$237,324

Government of the Province of Saskatchewan Combined Funds

Schedule 3

Loans to Crown Entities

March 31, 1988

	(\$ Thousands)			
	1988		1987	
	<i>Principal Amount Outstanding</i>	<i>Equity in Sinking Funds</i>	<i>Ending Balance</i>	<i>Ending Balance</i>
Agricultural Credit Corporation of Saskatchewan	\$1,040,743	\$ —	\$1,040,743	\$1,263,843
Crown Investments Corporation of Saskatchewan	1,129,113		1,129,113	705,649
Municipal Financing Corporation of Saskatchewan	54,724	—	54,724	54,724
Potash Corporation of Saskatchewan	—	—	—	528,734
Saskatchewan Economic Development Corporation	57,647	—	57,647	50,647
Saskatchewan Grain Car Corporation	46,350	—	46,350	46,350
Saskatchewan Housing Corporation	317,304	—	317,304	317,304
Saskatchewan Mining Development Corporation	364,060	—	364,060	551,617
Saskatchewan Property Management Corporation	340,836	—	340,836	181,993
Saskatchewan Telecommunications	758,716	127,348	631,368	650,384
Saskatchewan Water Corporation	5,037	3,730	1,307	1,905
Saskatchewan Power Corporation	2,298,607	313,463	1,985,144	2,018,919
	6,413,137	444,541	5,968,596	6,372,069
Less: Loan Loss Provision	(68,946)	—	(68,946)	(59,699)
	\$6,344,191	\$ 444,541	\$5,899,650	\$6,312,370

Government of the Province of Saskatchewan Combined Funds

Schedule 4

Other Loans

March 31, 1988

(\$ Thousands)

	1988	1987
Agriculture		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	\$ 349	\$ 365
Loans to Farm Operators for Land Improvement	48	49
Economic Development and Tourism		
Canadian Co-operative Implements Limited	2,450	2,450
Less: Provision for Doubtful Accounts	2,450	2,450
	—	—
Economic Development Loans	9,033	8,828
Less: Provision for Doubtful Accounts	1,386	1,612
	7,647	7,216
Hudson Bay Dehydrators Mutual Limited	57	57
Education		
School Loans	102	189
Student Loan Program	45,233	17,806
Finance		
Receiver General for Canada (Postage Deposit)	250	250
Treasury Advances	476	525
University of Saskatchewan	2,234	2,242
Less: Equity in Sinking Fund	939	811
	1,295	1,431
Health		
University Hospital Board	634	706
Urban Affairs		
Agricultural Service Centres Agreement — Shareable	4,080	4,394
Employment Loans Program — Federal-Provincial	597	675
Loans to Industrial Towns	100	170
Loans to Municipalities Pursuant to Downtown Development Agreements	6,288	5,593
Loans to Municipalities — Municipal Development and Loan (Saskatchewan) Act	678	907
Winter Works Employment Program — Federal-Provincial	3,200	3,668
Winter Works Employment Program — Provincial	701	798
Urban Loan Assistance Program	126	128
Saskatchewan Crop Insurance Corporation		
Loans to cover Crop Insurance claims pursuant to an agreement between Provincial and Federal Governments	79,235	79,235
Saskatchewan Agricultural Returns		
Stabilization Fund		
Loans	82,773	81,509
Less: Provision for Loss	82,773	81,509
	—	—
Heritage Fund		
Loans and Sales Agreements	5,348	5,810
NewGrade Energy Inc.	—	60,678
	\$156,444	\$190,650

**Government of the Province of Saskatchewan
Combined Funds**

Schedule 5

Investment in Crown Entities

March 31, 1988

	(\$ Thousands)	
	1988	1987
	<i>Recorded Investment (At Cost)</i>	<i>Recorded Investment (At Cost)</i>
Crown Investments Corporation of Saskatchewan	\$187,559	\$109,976
Potash Corporation of Saskatchewan	418,553	418,554
Saskatchewan Mining Development Corporation	218,700	218,700
	\$824,812	\$747,230

**Government of the Province of Saskatchewan
Combined Funds**

Schedule 6

Other Investments

March 31, 1988

	(\$ Thousands)	
	1988	1987
NewGrade Energy Inc.	\$ —	\$ 735
Investments in Co-operatives:		
Hudson Bay Dehydrators Mutual Limited	4	4
Paradise Hill Seed Cleaning Co-operative Limited	10	15
Federal Government Bonds	1,037	1,434
Provincial Government Bonds	3,268	3,410
Corporate Bonds	—	250
Saskatchewan Municipal Bonds	662	1,022
	\$4,981	\$6,870

The market value of Long-Term Investments in bonds at March 31, 1988 is \$5,031,468 (March 31, 1987: \$6,314,855).

Government of the Province of Saskatchewan Combined Funds

Schedule 7

Promissory Notes

March 31, 1988

(\$ Thousands)

Maturity	1988	1987
1987-88	\$ —	\$1,762,615
1988-89	1,199,380	—
	\$1,199,380	\$1,762,615

Issued for the Purpose of:

	1988	1987
Consolidated Fund — Operations	\$ 243,874	\$ 394,498
Crown Entities	955,506	1,368,117
	\$1,199,380	\$1,762,615

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

(\$ Thousands)

	1988			1987	
	Amount Outstanding	Weighted Average Years to Maturity	Weighted Average Interest Rate	Amount Outstanding	Weighted Average Interest Rate
		(years)	(per cent.)		(per cent.)
Promissory Notes	\$1,199,380	0.11	8.711	\$1,762,615	8.562

Government of the Province of Saskatchewan Combined Funds

Schedule 8

Treasury Bills

March 31, 1988

<i>Maturity</i>	(\$ Thousands)	
	1988	1987
1987-88	\$ —	\$ 650,000
1988-89	650,000	—
	\$ 650,000	\$ 650,000

<i>Issued for the Purpose of:</i>	1988	1987
Consolidated Fund — Operations	\$ 650,000	\$ 650,000
	\$ 650,000	\$ 650,000

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

(\$ Thousands)					
1988			1987		
<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity (years)</i>	<i>Weighted Average Interest Rate (per cent.)</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate (per cent.)</i>	
Treasury Bills	\$ 650,000	0.13	8.487	\$ 650,000	7.469

Government of the Province of Saskatchewan Combined Funds

Schedule 9

Debentures

March 31, 1988

(\$ Thousands)

Year of Issue	1988				1987	
	Canadian Dollar Debt	F.C. Debt (Can. Dollars)	Total (Canadian Dollars)		Total (Canadian Dollars)	
1987-88	\$ —	\$ —	\$ —		\$ 336,616	
1988-89	371,934	168,208	540,142		680,366	
(a) 1989-90	467,985	228,309	696,294		709,468	
(b) 1990-91	606,626	196,037	802,663		539,018	
(c) 1991-92	662,054	401,083	1,063,137		867,187	
1992-93	504,910	242,441	747,351		—	
1-5 years	2,613,509	1,236,078	3,849,587		3,132,655	
(c, f) 6-10 years	1,609,637	276,441	1,886,078		1,586,146	
11-15 years	1,298,830	—	1,298,830		764,523	
16-20 years	873,545	308,523	1,182,068		1,533,863	
21-25 years	—	154,263	154,263		376,823	
(d) 26-30 years	2,259	—	2,259		546	
	\$ 6,397,780	\$ 1,975,305	\$ 8,373,085		\$ 7,394,556	

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1988 (1.2341) and March 31, 1987 (1.3051).

- Note: (a) Includes \$53,200,000, Canadian, maturing November 15, 1989. The original issue of \$40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000, Canadian. Includes \$56,027,073, Canadian, maturing March 28, 1990. The original issue of 10,000,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073, Canadian, with annual interest payments and an effective interest rate of 9.53%.
- (b) Includes \$73,637,703 Canadian, maturing November 27, 1990. The original issue of 15,000,000,000 Yen converted by forward contract to \$73,637,703, Canadian.
- (c) Includes \$133,550,000, Canadian, maturing March 1, 1992. The original issue of \$100,000,000, 10 3/4% U.S. dollar debentures converted by forward contract to \$133,550,000, Canadian. Includes \$46,452,384, U.S., maturing June 30, 1992. The original issue of 100,000,000, 6 1/4% Swiss franc debentures converted by forward contract to \$46,452,384, U.S. Includes \$61,629,173, Canadian, maturing July 25, 1992. The original issue of 15,000,000,000 Yen converted by forward contract to \$61,629,173, Canadian. Includes \$113,927,728, Canadian, maturing April 9, 1991. The original issue of 15,000,000,000, 7 1/2% Yen converted by forward contract to \$113,927,728, Canadian. Includes \$81,806,282, Canadian, maturing May 29, 1993. The original issue of 10,000,000,000 6 1/4% Yen converted by forward contract to \$81,806,282, Canadian.
- (d) Includes \$2,258,567 maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.
- (e) Debentures include \$1,519,093,000 (\$1,460,423,000 — March 31, 1987) of Canadian Pension Plan debentures which are subject to redemption on six months notice.
- (f) Includes 5 billion yen and 250 million Swiss Francs which were borrowed for Consolidated Fund purposes. These issues are recorded at the exchange rates in effect on the date the debenture was issued. The yen was .0088 (.0099 at March 31, 1988) and the Swiss Franc weighted average was .9297 (.9058 at March 31, 1988).

Government of the Province of Saskatchewan Combined Funds

Schedule 9

Debentures — (Concluded)

March 31, 1988

The debentures are reimbursable from the following sources:

	(\$ Thousands)	
	1988	1987
Agricultural Credit Corporation of Saskatchewan	\$ 728,243	\$ 328,243
Crown Investments Corporation of Saskatchewan	1,129,113	605,648
Municipal Financing Corporation of Saskatchewan	54,724	54,724
Potash Corporation of Saskatchewan	—	523,734
Saskatchewan Economic Development Corporation	57,647	50,647
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	317,304
Saskatchewan Mining Development Corporation	364,060	551,617
Saskatchewan Power Corporation	2,296,159	2,296,210
Saskatchewan Property Management Corporation	100,000	
Saskatchewan Telecommunications	758,716	760,510
Saskatchewan Water Corporation	5,037	14,876
University of Saskatchewan	2,234	2,242
	5,997,673	5,690,191
Consolidated Fund — Operations	2,375,412	1,704,365
	\$8,373,085	\$7,394,556

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)					
	1988			1987		
	Amount Outstanding	As A Percentage of Total	Weighted Average Years to Maturity (years)	Weighted Average Interest Rate (per cent.)	Amount Outstanding	Weighted Average Interest Rate (per cent.)
Public Debentures	\$6,847,209	81.8	7.23	10.108	\$5,926,734	10.842
C.P.P. Debentures	1,519,093	18.1	12.24	10.675	1,460,423	10.641
Other Debentures	6,783	0.1		—	7,399	—
	\$8,373,085	100.0			\$7,394,556	

Government of the Province of Saskatchewan Combined Funds

Schedule 10

Summary of Sinking Funds

March 31, 1988

	(\$ Thousands)				
	1988				1987
	Consolidated Fund's Share	Crown Entities' Share	Other Enterprises' Share	Total	Total
Balance, Beginning of year	\$ 24,464	\$402,835	\$ 811	\$428,110	\$408,712
Contributions Made During the Year	423	18,802	35	19,260	20,238
Earnings in the Year	2,548	45,031	92	47,671	58,432
	27,435	466,668	938	495,041	487,382
Deduct: Funds Applied on Redemption	18,362	22,127	—	40,489	59,272
Balance, End of Year	\$ 9,073	\$444,541	\$ 938	\$454,552	\$428,110

Government of the Province of Saskatchewan Combined Funds

Schedule 11

Amounts Payable to Crown Entities

March 31, 1988

	(\$ Thousands)	
	1988	1987
Saskatchewan Hospital Services Fund	\$ 6,310	\$ —
Saskatchewan Liquor Board	213,800	91,800
Special Projects Fund	95	95
The Market Development Fund	187	285
	\$220,392	\$92,180

Government of the Province of Saskatchewan Combined Funds

Schedule 12

Guaranteed Debt

March 31, 1988

(\$ Thousands)

	1988	1987
Crown Corporations		
The Crown Corporations Act, 1978		
16 5/8% Debentures Maturing August 18, 1987	\$ —	\$ 15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	54,000	57,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	33,047	34,498
T.D., Mutual Life, London Life Lease	42,374	43,899
Royal Trust Lease	28,031	28,958
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	27,744	28,416
Manalta Coal**	42,726	43,260
Marubeni Corporation	6,901	9,201
Saskatchewan Power Savings Bond		
— Series I	957	53,211
— Series II	77,843	82,064
— Series III	66,436	79,972
— Series IV	99,530	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	2,817	3,790
The Saskatchewan Mining Development Corporation Act		
Letter of Credit (U.S. Funds — maximum of \$14,500,000 U.S.)	4,690	4,959
Her Majesty in the Right of Canada	19,947	10,330
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	15,000
	522,043	509,558
Other		
The Agricultural Incentives Act		
Agricultural Incentives Loans	—	117
Agricultural Credit Corporation of Saskatchewan Operating Loans	312	732
The Agricultural Societies Act		
Loans to Exhibition Associations	727	1,069
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	796	649
The Family Farm Credit Act		
Co-op Trust Company	141	199
The Farmer's Counselling and Assistance Act	45,775	34,901
The Feeder Associations Loan Guarantee Act	8,631	1,422
The Government Organizations Act	204	—
The Housing and Special Care Homes Act		
Senior Citizens Housing	1,337	1,416
The Department of Tourism and Small Business Act		
Loans to Small Business	1,077	1,163
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	233,302	—
The Pulp and Paper Mills Act		
Weyerhaeuser Canada Ltd.	70,697	9,260
	362,999	50,928
	\$885,042	\$560,486

** The amount is net of \$2,274,377 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.
(\$1,740,062 — 1987)

NOTE: In addition to the amount shown, there is a contingent liability for interest accrued on these items.

Government of the Province of Saskatchewan Combined Funds

Schedule 13

Summary of Public Debt Transactions

March 31, 1988

(\$ Thousands)

	<i>Balance, Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment*</i>	<i>Balance, End of Year</i>
Debentures	\$ 7,394,556	\$ 1,536,479	\$ 465,530	\$ (92,420)	\$ 8,373,085
Treasury Bills	650,000	2,650,000	2,650,000	—	650,000
Promissory Notes	1,762,615	6,433,673	6,996,908	—	1,199,380
	\$ 9,807,171	\$ 10,620,152	\$ 10,112,438	\$ (92,420)	\$ 10,222,465

**Reflects the difference in conversion values at March 31, 1987 and March 31, 1988 resulting from converting \$ U.S. debt into \$ Canadian.

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Consolidated Fund as at March 31, 1988 and the statements of net debt, revenue and expenditure, loan, investment and deposit activity and financing and changes in financial position for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

Loans to crown entities include disbursements to Saskatchewan Property Management Corporation of \$340,836,000 (1987 — \$181,993,000). It is inappropriate to record these disbursements as assets of the Consolidated Fund since their repayment depends upon future appropriations from the Consolidated Fund. Accordingly, these disbursements should have been recorded as expenditures. If these disbursements had been recognized as expenditures, loans to crown entities would have been reduced by \$340,836,000 (1987 — \$181,993,000), net debt would have been increased by \$340,836,000 (1987 — \$181,993,000) and excess of expenditure over revenue would have been increased by \$158,843,000 (1987 — \$181,993,000).

In my opinion, except for the failure to record disbursements as expenditures as described in the preceding paragraph, these financial statements present fairly the financial position of the Consolidated Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

For the prior year, my auditor's report indicated the write-down of loans to crown entities was recognized in the year ended March 31, 1987 rather than in the year ended March 31, 1986 when the write-down was required. Consequently, for comparative purposes, the net debt as at April 1, 1986 should be increased by \$135,550,000 and provision for loss — loans to crown entities for the year ended March 31, 1987 should be reduced by \$135,550,000.

Regina, Saskatchewan,
November 28, 1988.



W. G. Lutz, F.C.A.,
Provincial Auditor.

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Financial Position

March 31, 1988

(\$ Thousands)

Assets	1988	1987
<i>Schedule</i>		
1 Cash (Note 1d)	\$ (56,460)	\$ (151,331)
2 Short-Term Loans to Crown Entities (Note 1e)	402,170	150,524
3 Loans to Crown Entities (Note 1f)	6,040,255	6,446,142
4 Other Loans (Note 1g)	151,096	124,162
5 Other Investments (Note 1h)	14	19
Total Assets	\$ 6,537,075	\$ 6,569,516

Liabilities and Net Debt

Public Debt (Note 1i)		
6 Promissory Notes (Note 1i)	\$ 1,199,380	\$ 1,762,615
7 Treasury Bills (Note 1i)	650,000	650,000
8 Debentures (Note 1i)	8,373,085	7,394,556
9 Less: Sinking Funds (Note 1i)	(454,552)	(428,110)
	9,767,913	9,379,061
10 Amounts Payable to Crown Entities (Note 1j)	762,139	558,280
Conditional Receipts (Note 1k)	11,039	4,590
Total Liabilities	10,541,091	9,941,931
11 Contingencies (Note 2a)		
Net Debt	(4,004,016)	(3,372,415)
Total Liabilities and Net Debt	\$ 6,537,075	\$ 6,569,516

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Net Debt

For the Year Ended March 31, 1988

(\$ Thousands)

	1988	1987
Net Debt, Beginning of Year	\$(3,372,415)	\$(2,003,401)
Excess of Revenue Over Expenditure	(625,219)	(1,303,970)
Sinking Fund Earnings Retained in Sinking Funds	2,548	2,452
Provision for Loss — Loans to Crown Entities	(7,414)	(56,565)
Provision for Loss — Other Loans	(1,516)	(10,931)
Net Debt, End of Year	\$(4,004,016)	\$(3,372,415)

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

Revenue	1988	1987
Taxes		
Corporation Capital	\$ 55,218	\$ 48,256
Corporation Income	123,726	118,801
Fuel	161,168	31,541
Individual Income	768,555	692,079
Insurance	20,089	19,543
Mineral Acreage	5,917	3,367
Sales	455,302	356,597
Tobacco	89,810	78,584
Other	7,150	6,387
Total Taxes	1,686,935	1,355,155
Receipts from Government Enterprises and Other Funds		
Saskatchewan Heritage Fund Dividends (Note 2b)	370,000	200,000
Profits Transferred from Saskatchewan Liquor Board (Note 2c)	—	140,000
Other	5,905	6,680
Total Receipts from Government Enterprises and Other Funds	375,905	346,680
Other Own Source Revenues		
Fines, Forfeits and Penalties	9,040	8,846
Interest, Premium, Discount and Exchange	9,636	10,059
Privileges, Licences and Permits		
Lands, Forest, Game, Fur, Fisheries and Water	11,614	10,970
Motor Vehicles	67,874	61,255
Other	17,479	9,883
Sales, Services and Service Fees	45,928	40,627
Other	23,628	24,828
Total Other Own Source Revenues	185,199	166,468
Receipts from Other Governments		
Agricultural and Rural Development Act	125	326
Canada Assistance Plan	156,801	160,548
Department of Regional Industrial Expansion	603	1,131
Equalization Payment	302,675	145,665
Established Programs Financing	406,233	409,307
Manpower Agreements	11,677	19,805
Statutory Subsidy	2,192	2,175
Other Federal Contributions	33,873	50,003
Other	8,602	10,505
Total Receipts from Other Governments	922,781	799,465
Total Revenue	\$3,170,820	\$2,667,768

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

<i>Expenditure</i>	<i>1988</i>	<i>1987</i>
Advanced Education and Manpower	\$ —	\$ 263,822
Agriculture	131,256	248,945
Consumer and Commercial Affairs	5,435	5,174
Co-operation and Co-operative Development	—	2,860
Culture and Recreation	—	21,667
Economic Development and Tourism	13,187	14,497
Economic Diversification and Investment Fund	17,671	—
Education	779,886	437,445
Employment Development Agency	—	203,592
Energy and Mines	12,260	11,761
Environment and Public Safety	12,800	7,296
Executive Council	6,611	11,904
Finance: Interest on Public Debt (Note 1/)	282,043	192,587
Other	133,958	28,814
Health	1,183,594	1,165,204
Highways and Transportation	215,473	223,194
Human Resources, Labour and Employment	54,329	10,558
Indian and Native Affairs Secretariat	—	2,583
Justice	128,016	112,417
Legislation	11,057	10,110
The Local Government Board	447	447
Local Government Finance Commission	—	234
Northern Affairs Secretariat	—	666
Parks, Recreation and Culture	103,871	58,131
Provincial Auditor	3,230	3,504
Provincial Secretary	2,728	933
Public Participation	729	—
Public Service Commission	9,830	6,120
Revenue and Financial Services	—	135,630
Rural Development	54,378	55,391
The Saskatchewan Assessment Authority	—	4,731
Saskatchewan Crop Insurance Corporation	11,931	17,155
Saskatchewan Housing Corporation	110,584	45,937
Saskatchewan Library	—	8,225
Saskatchewan Property Management Corporation	8,102	—
The Saskatchewan Research Council	7,840	4,081
Saskatchewan Water Corporation	12,456	25,930
Science and Technology	1,718	1,343
Social Services	378,435	355,669
Supply and Services	—	139,076
Department of Telephones	493	463
Trade and Investment	7,473	9,375
Urban Affairs	94,218	123,715
Women's Secretariat	—	552
Total Expenditure	\$3,796,039	\$3,971,738
Excess of Expenditure over Revenue	\$625,219	1,303,970

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1988

	(\$ Thousands)			
	1988		1987	
	Disbursements	Receipts	Disbursements	Receipts
Loans				
Agricultural Credit Corporation of Saskatchewan	\$ 400,000	\$ 623,100	\$ 158,400	\$ 110,045
Crown Investments Corporation of Saskatchewan	792,145	349,125	266,158	188,000
Potash Corporation of Saskatchewan	—	523,020	65,255	—
Saskatchewan Economic Development Corporation	7,000	—	26,000	—
Saskatchewan Mining Development Corporation	61,705	229,766	32,628	—
Saskatchewan Property Management Corporation	158,844	—	181,993	—
Saskatchewan Power Corporation	67,736	29,752	241,111	174,826
Saskatchewan Telecommunications	13,597	772	32,598	13,283
Saskatchewan Water Corporation	—	9,839	—	—
Other	89,066	60,489	93,088	234,347
Total Loan Disbursements and Receipts	1,590,093	1,825,863	1,097,231	720,501
Investments				
Other	—	5	300	1,505
Total Investment Disbursements and Receipts	—	5	300	1,505
Deposits				
Crown Entities	1,011,610	1,215,469	464,120	444,487
Sinking Fund	19,260	18,837	20,238	19,682
Redemption of Sinking Funds	—	18,362	—	11,316
Conditional Receipts	—	6,449	648	—
Total Deposit Disbursements and Receipts	1,030,870	1,259,117	485,006	475,485
Total Disbursements and Receipts	2,620,963	3,084,985	1,582,537	1,197,491
Total Excess of Disbursements Over Receipts (Receipts Over Disbursements)	\$ (464,022)		\$ 385,046	

(See Accompanying Notes)

Government of the Province of Saskatchewan
Consolidated Fund

Statement of Financing and Changes in Financial Position

For the Year Ended March 31, 1988

(\$ Thousands)				
	1988		1987	
Cash Requirements				
Revenue and Expenditure				
Expenditure	\$ 3,796,039		\$ 3,971,738	
Revenue	3,170,820	\$ 625,219	2,667,768	\$ 1,303,970
Loan, Investment and Deposit				
Disbursements	2,620,963		1,582,537	
Receipts	3,084,985	(464,022)	1,197,491	385,046
Net Cash Requirement		161,197		1,689,016
Financing (Schedule 12)				
Proceeds from Debt	10,620,152		10,563,646	
Repayment of Debt	10,112,438	507,714	8,996,779	1,566,867
Net Increase in Cash and Short-Term Loans		346,517		(122,149)
Cash and Short-Term Loans				
Beginning of Year		(807)		121,342
Cash and Short-Term Loans				
End of Year		\$ 345,710		\$ (807)

(See Accompanying Notes)

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements

For the Year Ended March 31, 1988

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Consolidated Fund at March 31, 1988 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Consolidated Fund is the general fund into which all revenues over which the Legislative Assembly of Saskatchewan has power of appropriation flow, unless the Legislative Assembly directs otherwise. The Legislative Assembly has directed that certain revenue is to flow into other funds or to crown entities such as Provincial crown corporations, agencies, boards and commissions. The financial transactions relating to such other funds and crown entities are reflected only to the extent that their operations were financed by or contributed to the Consolidated Fund. Their accumulated surpluses or deficits are not included.

Various special purpose and other funds are administered by the Minister of Finance. Included within these funds are superannuation funds over which the Minister provides general administrative support, trust monies held for third parties under various arrangements, and special purpose monies held for specified uses. The assets, liabilities, operations and residual balances of these are maintained and reported separately from those of the reporting entity.

1b. Basis of Accounting

The financial statements are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payments are made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect the net debt and those which affect only recorded assets and liabilities. This segregation originates from the net debt concept. The net debt is the difference between recorded liabilities and assets and represents the difference between

accumulated revenues and accumulated expenditures. Revenues and expenditures only affect the net debt; financing activities and transactions which arise from the financing activities (lending and investing) only affect recorded assets and liabilities. Accordingly, transactions are recorded within three categories: Revenue and Expenditure, Lending and Investing, and Financing Activities.

• Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

• Revenue

Revenue includes revenues raised through taxation, premiums, fees, licences and permits, receipts from the Federal government under fiscal arrangements and shared-cost programs, income from investments and dividends or transfers from other funds and accounting gains on the sale of certain agricultural lands.

• Expenditure

Expenditure includes payments for goods and services, salaries, transfer payments to individuals, municipalities and institutions, subsidies and grants, interest on public debt and lease payments to the Saskatchewan Property Management Corporation for accommodations, furnishings and equipment. Payments for the acquisition of those fixed assets which are not leased from the Saskatchewan Property Management Corporation are also charged to expenditure.

• Lending and Investing

These transactions result from lending and investing functions which include lending and investing in various crown entities, other organizations and individuals, and the administration of funds held for certain crown entities.

• Financing Activities

Financing activities are borrowing and repayment transactions and include the borrowing on behalf of various crown entities.

• Assets and Liabilities

The majority of the assets and liabilities recorded in the statements are a result of the intermediary activity of borrowing on behalf of various crown entities. In general terms assets will consist of cash, short-term investments, and loans to or investments in crown entities and other organizations and individuals.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Continued)

General Policies — (Concluded)

1c. Classification of Financial Transactions — (Concluded)

The Saskatchewan Property Management Corporation is responsible for certain aspects of capital asset management including the acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. These assets are provided to government departments on a lease basis. Other capital assets are treated as expenditure in the year of purchase.

Liabilities consist of promissory notes, treasury bills and debentures to be repaid to outside parties and amounts that are due to provincially created crown entities.

• Revolving Fund Transactions

Various revolving funds have been established to provide services to Government departments or the public. Each of these have statutory authority to make payments out of the Consolidated Fund for the provision of specified services.

Except for transactions relating to loans and advances, any net cash expenditure on behalf of a revolving fund is classified as an expenditure. Any net cash revenue is classified as a reduction in expenditures. Loans and advances are classified as lending and investment transactions, and any amounts outstanding are shown as an asset.

Specific Policies

1d. Cash

Cash recorded is the balance on hand in the Consolidated Fund at March 31, adjusted in accordance with the modified cash basis of accounting as described in Note 1b.

1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

Interest received from Crown entities on short-term loans is applied to offset the interest paid on the public debt.

1f. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations and the Saskatchewan Heritage Fund and generally have fixed terms of repayment.

Loans are valued at cost. Loans in foreign currency are converted to the Canadian dollar equivalent at the exchange rate in effect at March 31. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan will be written down. All write-downs are charged directly to equity.

Where debentures are issued to obtain funds for making loans, the crown entities are required to provide the funds to repay the debt. Where sinking fund requirements are attached to the underlying debt issue, crown entities must reimburse the Consolidated Fund for payments made to the sinking fund. Accordingly, the crown entities' equity (i.e. contributions and earnings) in the sinking funds reduces the recorded value of loans.

Interest received from crown entities is applied to offset the interest expense on debt issues.

1g. Other Loans

These loans are subject to a variety of interest rates and terms of repayment.

These loans are carried at cost and are revalued when it becomes evident that they are uncollectible. Any write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1h. Other Investments

These investments are valued at cost and will be revalued when it becomes evident that there has been a permanent reduction in the value of the investment.

Any write-down of an investment is charged to equity.

1i. Public Debt

Public debt represents obligations arising from borrowing activities to finance operations or to finance loans to crown entities. Public debt consists of promissory notes, treasury bills and debentures.

• Borrowing on Behalf of Crown Entities

Where debt is acquired for the purpose of funding loans to crown entities, the funds required to repay the principal amount of the debt attributable to these entities are reimbursed by them. All debentures due in foreign currency will be repaid when due by these entities in requisite amounts.

Because this debt is reimbursable, interest received from the crown entities is offset against the interest paid on the debt.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Continued)

Specific Policies — (Continued)

1i. Public Debt — (Concluded)

• Investment in Agricultural Land

Debt acquired for the purpose of financing the Investment in Agricultural Land now held by the Saskatchewan Heritage Fund but formerly held by the Saskatchewan Land Bank Commission is considered to be fully reimbursable from the proceeds from the sale of the Agricultural Lands to be received by the Saskatchewan Heritage Fund. The interest paid on the public debt which is considered to be fully reimbursable from the lease fee revenue on the lands, received in the Farm Purchase Program Fund, is offset against the interest paid on the debt. To the extent lease fees are insufficient for this purpose, an appropriation of funds from the Saskatchewan Heritage Fund is made to cover the deficiency.

The balance of the public debt is borrowed for general purposes. The interest paid on this portion is shown as Interest on Public Debt under the Department of Finance in the Statement of Revenue and Expenditure.

• Promissory Notes

Promissory notes are issued to cover temporary insufficiencies of the Consolidated Fund and for funding short-term loans to crown entities.

Promissory notes are carried at the face value.

In the year of issue, discounts are charged to expenditure.

• Treasury Bills

Treasury bills are issued to cover temporary insufficiencies of the Consolidated Fund.

Treasury bills are carried at par.

In the year of issue, discounts are charged to expenditure.

• Debentures

Debentures are issued to finance operations and for funding long-term loans to crown entities.

Debentures are carried at par. In the year in which debentures are issued, discounts are charged to expenditure and any premiums are recorded as revenue. Where borrowing is made to finance loans to crown entities, all expenses including discounts are charged directly to the crown entities and premiums are paid to the crown entities. For

reporting purposes, all debentures due in foreign currency have been converted to the Canadian dollar equivalent at the exchange rate in effect at March 31.

Many public debentures issued require payments into a sinking fund.

• Sinking Funds

The Consolidated Fund assumes direct responsibility for all payments to sinking funds, however the Consolidated Fund is reimbursed by crown entities for all sinking fund payments made on debt incurred on their behalf.

The sinking funds invest in Province of Saskatchewan debentures, other provincial government or provincial government guaranteed securities, federal government or federal government guaranteed securities, or high grade Canadian municipal securities until such time as the monies are required for retirement of debt. The sinking funds are subject to noncash calculations regarding earnings in accordance with the following accounting policies:

- Interest income is recorded on an accrual basis.
- Premium/discount on long-term investments is amortized by type of security to maintain a constant yield over the life of the investment.
- Gains/losses on the sale of long-term investments are recognized in the period the sale was transacted.

Earnings of the sinking funds are retained within the sinking funds and, accordingly, are not recorded as revenue but are credited directly to equity.

1j. Amounts Payable to Crown Entities

These represent amounts held on deposit in the Consolidated Fund on behalf of certain crown entities at no interest.

1k. Conditional Receipts

Funds are received for which the ultimate disposition is not immediately known or which is subject to some future action beyond the control of the payor. These funds are deposited to the credit of a liability account entitled "Conditional Receipts". The balance reflected is that for such funds held as at March 31.

1l. Interest on Public Debt

Interest on public debt includes interest paid on promissory notes, treasury bills and debentures but does not include interest on public debt borrowed on behalf of crown entities (notes 1e, 1f). Total interest expense is \$1,037,576,000 of which \$755,533,000 is reimbursable from the other crown entities resulting in a net charge to the Consolidated Fund of \$282,043,000.

Government of the Province of Saskatchewan Consolidated Fund

Notes to the Financial Statements — (Continued)

2. Additional Information

2a. Contingencies

• Guaranteed Debt

The Government of Saskatchewan has explicitly guaranteed the repayment of the principal and interest of certain bonds, debentures and loans of various organizations including crown entities. The total principal portion of all guaranteed debt at March 31 was \$885,042,000 (\$560,486,000 at March 31, 1987).

The guaranteed debt is not a recorded liability. If events occur which require the Government to assume the repayment of the debt, the payment is recorded as an expenditure of the Consolidated Fund. At March 31, there were no organizations in receivership whose debt had been guaranteed.

• Litigation Matters

There are a number of outstanding litigation matters against the Government of Saskatchewan. The outcomes of these are uncertain and the likely loss, if any, cannot be determined. Any loss resulting from litigation matters will be paid out of the Consolidated Fund. These claims are:

- A claim by the Canadian National Railway against the Government of Saskatchewan. Approximately \$13 million is claimed by way of recovery of E & H Tax collected with respect to railroad rolling stock and repair bills which the plaintiff now alleges are not incorporated in the Act.
- A claim filed by Chief Myles Venne on behalf of the members of the Lac La Ronge, James Roberts and Amos Charles Indian Bands against the Government of Canada and Government of Saskatchewan. The claim is for approximately 250,000 acres of land in Saskatchewan based on entitlement under Treaty No. 6.
- A claim filed by the Consumers Co-operative Refineries Limited against the Province of Saskatchewan. The claim is for \$23,000,000 and relates to an Oil and Gas Incentive Grant dispute.
- The Government is also named as defendant in various other legal actions, in excess of \$500,000 totalling approximately \$5.0 million.

• Crop Reinsurance Fund of Saskatchewan

The Consolidated Fund is liable for funding any deficiency arising in the Crop Reinsurance Fund of Saskatchewan. As at March 31, 1988, the Crop Reinsurance Fund of Saskatchewan had a \$35.5 million deficit as a result of crop insurance claims in excess of the accumulated surplus of the Saskatchewan Crop Insurance Corporation — Insurance Operation and the Crop Reinsurance Fund of Saskatchewan. The likelihood of payment to the

Crop Reinsurance Fund of Saskatchewan is dependent upon the future level of claims in relation to premiums and therefore is not determinable at this time.

2b. Saskatchewan Heritage Fund Dividends

The Consolidated Fund receives fund dividends from the Saskatchewan Heritage Fund as made available by an annual appropriation in the Saskatchewan Heritage Fund. Payments are made upon the direction of the Minister of Finance.

2c. Saskatchewan Liquor Board Profits

The Consolidated Fund receives a portion of the profits of the Saskatchewan Liquor Board as determined from time to time by Treasury Board.

2d. Overcommitments

The financial statements are prepared using a modified cash basis of accounting. Under this method, accounts receivable or payable are not recorded. However, there is a legislative requirement that no liability shall be incurred which exceeds the unencumbered balance of an appropriation.

Three departments overcommitted their appropriations by a total of \$200,825 at March 31, 1988:

	(\$ Thousands)
Agriculture	\$ 51
Education Development Fund	17
Parks, Recreation and Culture	133
	<u>\$ 201</u>

The overcommitted figure reflects the amount by which expenditures plus accounts payable exceed the estimates adjusted for special warrants and virements. Accounts payable are defined to be debts for goods or services received by a department prior to March 31 and which remain unpaid at April 30.

2e. Superannuation

For certain pension plans part of the benefits and/or any deficiency arising when the benefits exceed the assets available in the plans are payable out of the Consolidated Fund.

The following is a brief description of these plans:

• Public Service Superannuation Plan

This is an unfunded plan. All employee contributions are recorded as revenue of the Consolidated Fund, and all payments required are recorded as expenditures of the Consolidated Fund.

Government of the Province of Saskatchewan

Consolidated Fund

Notes to the Financial Statements — (Continued)

2. Additional Information

— (Continued)

2e. Superannuation — (Continued)

• Public Employees (Government Contributory) Superannuation Fund

This is a funded plan, with employee contributions being matched by the applicable employer. The employer's contribution is recorded as an expenditure of the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

• Public Employees (Government Contributory) Annuity Fund

In 1985-86 The Superannuation (Supplementary Provisions) Act was amended creating the Public Employees (Government Contributory) Annuity Fund. The related assets and accumulated balances of members who have chosen this annuity option were transferred to the annuity fund from the Public Employees (Government Contributory) Superannuation Plan and all annuities are paid out of the Fund. Upon retirement, an employee is entitled to receive a guaranteed life annuity provided by the amount standing to his credit in the Fund at the time.

• Teachers' Superannuation Fund

Teacher contributions are paid into a separate fund, with allowances and benefits being made from the fund. Teacher contributions on and after July 1, 1980 with matching contributions from the Consolidated Fund are also paid into the Fund. Any deficiency arising when retirement benefits and allowances exceed the assets available in the Fund is payable from the Consolidated Fund.

• Teachers' Annuity Fund

This is a funded plan for teachers who had never taught in the provincial school system prior to July 1, 1980 and enter the school system after that date. Teacher contributions are matched by payments from the Consolidated Fund. Contributions are paid into a separate fund, with allowances and refunds being made from the fund based upon the contribution made and investment earnings allocated. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

• Teachers' Supplementary Allowances Fund

This fund was created in conjunction with the Teachers' Annuity Fund. A designated portion of contributions made by teachers into the Annuity Fund is paid into the Teachers' Supplementary Allowances Fund for the purpose of increasing allowances for cost of living and to pay survivor

benefits to dependents of teachers. Teacher contributions are matched by payments from the Consolidated Fund. Since benefits are based on accumulated contributions to the fund, no unfunded liability accrues.

• Members of the Legislative Assembly Superannuation Fund

This is a funded plan, with member contributions being matched by the Consolidated Fund, which also pays an annual amount and any other amounts that may be appropriated. Contributions are paid into a separate fund, with allowances and refunds being made from the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

• Judges of the Provincial Court Superannuation Fund

Employee contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

Annuities and allowances made under The Magistrates Court Act (repealed) are also paid out of the Judges of the Provincial Court Superannuation Fund. Employees do not make contributions. The Consolidated Fund reimburses the Judges of the Provincial Court Superannuation Fund for all payments to superannuates.

• Anti-Tuberculosis League Employees Superannuation Fund

Employee contributions are matched by The Saskatchewan Anti-Tuberculosis League. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when the benefits exceed the assets available in the fund is payable from the Consolidated Fund.

• Saskatchewan Transportation Company Employees Superannuation Fund

Employee contributions are matched by the Saskatchewan Transportation Company. Contributions are paid into a separate fund with allowances, refunds, and transfers paid out of the fund. Any deficiency arising when benefits exceed the assets available in the fund is payable from the Consolidated Fund.

Government of the Province of Saskatchewan Consolidated Fund

Notes to the Financial Statements — (Concluded)

2. Additional Information — (Concluded)

2e. Superannuation (Concluded)

• Saskatchewan Pension Plan

In 1986-87, the Saskatchewan Pension Plan was created. The plan is voluntary and open to all residents of the Province of Saskatchewan who are between the ages of 18 and 65. Contributions of members are matched by payments from the Consolidated Fund on the basis of an income related formula to a maximum of \$300 annually.

Benefits are based on accumulated contributions to the fund and, accordingly, there is no residual obligation except for any amounts required to supplement the fund for the guaranteed minimum pension. The minimum pension is limited to \$15 per month for each year of contribution to the plan.

The following is a summary of the unfunded liability in respect of these pension plans as indicated in the most recent actuarial reports:

	<i>Date of Report</i>	<i>Liability As At</i>	<i>Unfunded Liability</i>
Public Service Superannuation Plan	Nov./86	Mar./86	\$ 646,615
Public Employees (Government Contributory) Superannuation Plan			N/A
Teachers' Superannuation Fund	Nov./86	June/86	1,279,000
Teachers' Annuity Fund			N/A
Teachers' Supplementary Allowances Fund			N/A
Members of the Legislative Assembly Superannuation Fund	Jan./87	Mar./86	15,696
Judges of the Provincial Court Superannuation Fund	Jan./83	Jan./83	6,330
Anti-Tuberculosis League Employees Superannuation Fund	Jan./85	Mar./84	1,238
Saskatchewan Transportation Company Employees Superannuation Fund	Jan./85	Mar./84	3,816
Saskatchewan Pension Plan			N/A
			\$1,952,695

2f. Legal Defeasance

During 1986-87, \$89.3 million, due December 30, 2004, bearing an interest rate of 9 5/8% per annum was advanced to Saskatchewan Power Corporation. Saskatchewan Power Corporation completed a legal defeasance of this Advance by placing a promissory note receivable with identical terms to the Advance into an irrevocable trust to be used solely for satisfying the principal and interest payments on the Advance. The promissory note is receivable from an unrelated third party and is guaranteed by the Government of Saskatchewan under a previous agreement. Although the promissory note has been accepted as full and final satisfaction of the Advance, the promissory note remains in the irrevocable trust. Accordingly, these financial statements will continue to reflect a receivable from the Saskatchewan Power Corporation Trust until such time as all claims against the Trust are extinguished. This receivable is included in loans to Saskatchewan Power Corporation as detailed on Schedule 3 — Loans to Crown Entities.

2g. Saskatchewan Property Management Corporation

The Saskatchewan Property Management Corporation is responsible for certain aspects of capital asset management including acquisition, maintenance and disposal of accommodations, furnishings and equipment for the government. During 1987/88 the Consolidated Fund paid approximately \$134,488,000 (\$33,514,000 in 1986/87) to the Saskatchewan Property Management Corporation for goods and services received. The Government of Saskatchewan transferred to the Corporation, at no cost, net assets valued at approximately \$343,132,000 (\$89,318,000 in 1986/87).

2h. Comparative Information

Certain of the 1987 figures have been reclassified to conform with the current year presentation, however, with regard to expenditures of the prior year, the figures are reported on the same basis as the Estimates of the prior year.

***Government of the Province of Saskatchewan
Consolidated Fund***

Schedule 1

Cash

March 31, 1988

	(\$ Thousands)	
	1988	1987
Cash (overdraft)	\$ (56,460)	\$ (151,331)
	\$ (56,460)	\$ (151,331)

***Government of the Province of Saskatchewan
Consolidated Fund***

Schedule 2

Short-Term Loans to Crown Entities

March 31, 1988

	(\$ Thousands)	
	1988	1987
Agricultural Development Corporation	\$ 2,000	\$ —
Crown Investments Corporation of Saskatchewan	304,406	40,200
Municipal Financing Corporation of Saskatchewan	28,200	22,000
Potash Corporation of Saskatchewan	—	50,000
Saskatchewan Economic Development Corporation	48,664	7,024
Saskatchewan Power Corporation	—	20,000
The Saskatchewan Government Printing Company	2,100	2,100
Saskatchewan Mining and Development Corporation	6,000	6,700
Saskatchewan Water Corporation	10,800	2,500
	\$402,170	\$150,524

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 3

Loans to Crown Entities

March 31, 1988

(\$ Thousands)

			1988	1987
	<i>Principal Amount Outstanding</i>	<i>Equity in Sinking Funds</i>	<i>Ending Balance</i>	<i>Ending Balance</i>
Agricultural Credit Corporation of Saskatchewan	\$1,040,743	\$ —	\$1,040,743	\$1,263,843
Crown Investments Corporation of Saskatchewan	1,129,113	—	1,129,113	705,649
Municipal Financing Corporation of Saskatchewan	54,724	—	54,724	54,724
Potash Corporation of Saskatchewan	—	—	—	523,734
Saskatchewan Economic Development Corporation	57,647	—	57,647	50,647
Saskatchewan Heritage Fund	184,436	—	184,436	184,436
Saskatchewan Housing Corporation	317,304	—	317,304	317,304
Saskatchewan Mining Development Corporation	364,060	—	364,060	551,617
Saskatchewan Power Corporation	2,296,159	313,463	1,982,696	2,016,471
Saskatchewan Property Management Corporation	340,836	—	340,836	181,993
Saskatchewan Telecommunications	758,716	127,348	631,368	650,384
Saskatchewan Water Corporation	5,037	3,730	1,307	1,905
	6,548,775	444,541	6,104,234	6,502,707
Less: Loan Loss Provisions	(63,979)		(63,979)	(56,565)
	\$6,484,796	\$ 444,541	\$6,040,255	\$6,446,142

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 4

Other Loans

March 31, 1988

	(\$ Thousands)	
	1988	1987
Agriculture		
South Saskatchewan River Irrigation Projects		
Acquisition and Improvements of Lands for Resale	\$ 349	\$ 365
Loans to Farm Operators for Land Improvement	48	49
Economic Development and Tourism		
Canadian Co-operative Implements Limited	2,450	2,450
Less: Provision for Doubtful Accounts	2,450	2,450
Economic Development Loans	9,033	8,828
Less: Provision for Doubtful Accounts	1,386	1,612
Hudson Bay Dehydrators Mutual Limited	57	57
Education		
School Loans	102	189
Student Loan Program	45,233	17,806
Finance		
Receiver General for Canada (Postage Deposit)	250	250
Treasury Advances	476	525
University of Saskatchewan	2,234	2,242
Less: Equity in Sinking Fund	939	811
Health		
University Hospital Board	634	706
Urban Affairs		
Agricultural Service Centres Agreement — Shareable	4,080	4,394
Employment Loans Program — Federal-Provincial	597	675
Loans to Industrial Towns	100	170
Loans to Municipalities Pursuant to Downtown Development Agreements	6,288	5,593
Loans to Municipalities — Municipal Development and Loan (Saskatchewan) Act	678	907
Winter Works Employment Program — Federal-Provincial	3,200	3,668
Winter Works Employment Program — Provincial	701	798
Urban Loan Assistance Program	126	128
Saskatchewan Crop Insurance Corporation		
Loans to cover crop insurance claims pursuant to an agreement between Federal and Provincial governments	79,235	79,235
Saskatchewan Agricultural Returns Stabilization Fund		
Loans	82,773	81,509
Less: Provisions for Loss	82,773	81,509
	\$151,096	\$124,162

Government of the Province of Saskatchewan Consolidated Fund

Schedule 5

Other Investments

March 31, 1988

	(\$ Thousands)	
	1988	1987
Investments in Co-operatives:		
Hudson Bay Dehydrators Mutual Limited	\$ 4	\$ 4
Paradise Hill Seed Cleaning Co-operative Limited	10	15
	\$ 14	\$ 19

Government of the Province of Saskatchewan Consolidated Fund

Schedule 6

Promissory Notes

March 31, 1988

	(\$ Thousands)	
<i>Maturity</i>	1988	1987
1987-88	\$ —	\$1,762,615
1988-89	1,199,380	—
	\$1,199,380	\$1,762,615

Issued for the purpose of:

	1988	1987
Consolidated Fund	\$ 243,874	\$ 394,498
Crown Entities	955,506	1,368,117
	\$1,199,380	\$1,762,615

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)				
	1988			1987	
	<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity</i>	<i>Weighted Average Interest Rate</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate</i>
		<i>(years)</i>	<i>(per cent.)</i>		<i>(per cent.)</i>
Promissory Notes	\$1,199,380	.11	8.711	\$1,762,615	8.562

**Government of the Province of Saskatchewan
Consolidated Fund**

Schedule 7

Treasury Bills

March 31, 1988

	(\$ Thousands)	
<i>Maturity</i>	<i>1988</i>	<i>1987</i>
1987-88	\$ —	\$650,000
1988-89	650,000	—
	650,000	650,000

<i>Issued for the purpose of:</i>	<i>1988</i>	<i>1987</i>
Consolidated Fund	650,000	\$650,000
	650,000	650,000

Note: For more detailed information, refer to Part B of this Volume.

The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)				
	<i>1988</i>			<i>1987</i>	
	<i>Amount Outstanding</i>	<i>Weighted Average Years to Maturity (years)</i>	<i>Weighted Average Interest Rate (per cent.)</i>	<i>Amount Outstanding</i>	<i>Weighted Average Interest Rate (per cent.)</i>
Treasury Bills	\$650,000	.13	8.487	\$650,000	7.469

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 8

Debentures

March 31, 1988

(\$ Thousands)

Year of Maturity				
	1988	1987		
	Canadian Dollar Debt	F.C. Debt (Can. Dollars)	Total (Canadian Dollars)	Total (Canadian Dollars)
1987-88	\$ —	\$ —	\$ —	\$ 336,616
1988-89	371,934	168,208	540,142	680,366
(a) 1989-90	467,985	228,309	696,294	709,468
(b) 1990-91	606,626	196,037	802,663	539,018
(c) 1991-92	662,054	401,083	1,063,137	867,187
1992-93	504,910	242,441	747,351	—
1-5 years	2,613,509	1,236,078	3,849,587	3,132,655
(c, f) 6-10 years	1,609,637	276,441	1,886,078	1,586,146
11-15 years	1,298,830	—	1,298,830	764,523
16-20 years	873,545	308,523	1,182,068	1,533,863
21-25 years	—	154,263	154,263	376,823
(d) 26-30 years	2,259	—	2,259	546
	\$ 6,397,780	\$ 1,975,305	\$ 8,373,085	\$ 7,394,556

The debentures in U.S. dollars have been converted to Canadian Dollars at the exchange rate in effect at March 31, 1988 (\$1.2341) and March 31, 1987 (\$1.3051).

- Note: (a) Includes \$53,200,000, Canadian, maturing November 15, 1989. The original issue of 40,000,000, 11 7/8% U.S. dollar debentures converted by forward contract to \$53,200,000 Canadian. Includes \$56,027,073, Canadian, maturing March 28, 1990. The original issue of \$10,000,000, 7.4% Yen debentures, with semi-annual interest payments converted by forward contract to \$56,027,073, Canadian, with annual interest payments and an effective interest rate of 9.53%.
- (b) Includes \$73,637,703, Canadian, maturing November 27, 1990. The original issue of 15,000,000,000 Yen converted by forward contract to \$73,637,703 Canadian.
- (c) Includes \$133,550,000, Canadian, maturing March 1, 1992. The original issue of 100,000,000, 10¼% U.S. dollar debentures converted by forward contract to \$133,550,000, Canadian. Includes \$46,452,384, U.S., maturing June 30, 1992. The original issue of 100,000,000, 6¼% Swiss franc debentures converted by forward contract to \$46,452,384, U.S.. Includes \$61,629,173, Canadian, maturing July 25, 1992. The original issue of 15,000,000,000 Yen converted by forward contract to \$61,629,173, Canadian. Includes \$113,927,728, Canadian, maturing April 9, 1991. The original issue of 15,000,000,000, 7½% Yen converted by forward contract to \$113,927,728, Canadian. Includes \$81,806,282, Canadian, maturing May 29, 1993. The original issue of 10,000,000,000 6¼% Yen converted by forward contract to \$81,806,282, Canadian.
- (d) Includes \$2,258,567, maturing December 1, 2015, payable in blended semi-annual payments of principal and interest totalling \$76,399. Prepayable in whole or in part any time prior to December 1, 2015, without penalty. The semi-annual principal repayments are included in the total debentures maturing each year.
- (e) Debentures include \$1,519,093,000 (\$1,460,423,000 — March 31, 1987) of Canadian Pension Plan debentures which are subject to redemption on six months notice.
- (f) Includes 5 billion yen and 250 million Swiss Francs which were borrowed for Consolidated Fund purposes. These issues are recorded at the exchange rates in effect on the date the debenture was issued. The yen was .0088 (.0099 at March 31, 1988) and the Swiss Franc weighted average was .9297 (.9058 at March 31, 1988).

The debentures are reimbursable from the following sources:

	(\$ Thousands)	
	1988	1987
Agricultural Credit Corporation of Saskatchewan	\$ 728,243	\$ 328,243
Crown Investments Corporation of Saskatchewan	1,129,113	605,648
Municipal Financing Corporation of Saskatchewan	54,724	54,724
Potash Corporation of Saskatchewan	—	523,734
Saskatchewan Economic Development Corporation	57,647	50,647
Saskatchewan Heritage Fund: Investment in Agricultural Land	184,436	184,436
Saskatchewan Housing Corporation	317,304	317,304
Saskatchewan Mining Development Corporation	364,060	551,617
Saskatchewan Power Corporation	2,296,159	2,296,210
Saskatchewan Property Management Corporation	100,000	—
Saskatchewan Telecommunications	758,716	760,510
Saskatchewan Water Corporation	5,037	14,876
University of Saskatchewan	2,234	2,242
	5,997,673	5,690,191
Consolidated Fund — Operations	2,375,412	1,704,365
	\$8,373,085	\$7,394,556

Note: For more detailed information, refer to Part B of this Volume. The following table sets forth the debt characteristics at March 31:

	(\$ Thousands)					
	1988			1987		
	Amount Outstanding	As A Percentage of Total	Weighted Average Years to Maturity	Weighted Average Interest Rate	Amount Outstanding	Weighted Average Interest Rate
Public Debentures	\$6,847,209	81.8	7.23	10.108	\$5,926,734	10.842
C.P.P. Debentures	1,519,093	18.1	11.93	10.675	1,460,423	10.641
Other Debentures	6,783	0.1	—	—	7,399	—
	\$8,373,085	100.0			\$7,394,556	

Government of the Province of Saskatchewan Consolidated Fund

Schedule 9

Summary of Sinking Funds

March 31, 1988

(\$ Thousands)

				1988	1987
	Consolidated Fund Share	Crown Entities' Share	Other Enterprises' Share	Total	Total
Balance, Beginning of year	\$ 24,464	\$402,835	\$ 811	\$428,110	\$408,712
Contributions Made During the Year	423	18,802	35	19,260	20,238
Earnings in the Year	2,548	45,031	92	47,671	58,432
	27,435	466,668	938	495,041	487,382
Deduct: Funds Applied on Redemption	18,362	22,127	—	40,489	59,272
Balance, End of Year	\$ 9,073	\$444,541	\$ 938	\$454,552	\$428,110

Government of the Province of Saskatchewan Consolidated Fund

Schedule 10

Amounts Payable to Crown Entities

March 31, 1988

(\$ Thousands)

	1988	1987
Saskatchewan Hospital Services Fund	\$ 6,310	\$ —
Saskatchewan Liquor Board	213,800	91,800
Special Projects Fund	95	95
The Market Development Fund	187	285
Saskatchewan Heritage Fund	541,747	466,100
	\$762,139	\$558,280

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 11

Guaranteed Debt

March 31, 1988

(\$ Thousands)

	1988	1987
Crown Corporations		
The Crown Corporations Act, 1978		
16 5/8% Debentures Maturing August 18, 1987	\$ —	\$ 15,000
The Municipal Financing Corporation Act		
Guaranteed Debentures	54,000	57,000
Potash Corporation of Saskatchewan		
Royal Trust, London Life Lease	33,047	34,498
T.D., Mutual Life, London Life Lease	42,374	43,899
Royal Trust Lease	28,031	28,958
The Power Corporation Act		
I.A.C. Limited — Dragline Lease	27,744	28,416
Manalta Coal**	42,726	43,260
Marubeni Corporation	6,901	9,201
Saskatchewan Power Savings Bond		
Series I	957	53,211
Series II	77,843	82,064
Series III	66,436	79,972
Series IV	99,530	—
The Saskatchewan Development Fund Act		
Guaranteed Investments	2,817	3,790
The Saskatchewan Mining Development Corporation Act		
Letter of Credit (U.S. Funds — maximum \$14,500,000 U.S.)	4,690	4,959
Her Majesty in the Right of Canada	19,947	10,330
The Saskatchewan Oil and Gas Corporation Act		
Saskatchewan Oil Bonds	15,000	15,000
	522,043	509,558
Other		
The Agricultural Incentives Act		
Agricultural Incentives Loan	—	117
Agriculture Credit Corporation of Saskatchewan Operating Loans	312	732
The Agricultural Societies Act		
Loans to Exhibition Associations	727	1,069
The Co-operatives Guarantee Act		
Saskatchewan Co-op Credit Society — Loans to Co-operatives	796	649
The Family Farm Credit Act		
Co-op Trust Company	141	199
The Farmer's Counselling and Assistance Act	45,775	34,901
The Feeder Associations Loan Guarantee Act	8,631	1,422
The Government Organizations Act	204	—
The Housing and Special Care Homes Act		
Senior Citizens Housing	1,337	1,416
The Department of Tourism and Small Business Act		
Loans to Small Business	1,077	1,163
The NewGrade Energy Inc. Act		
NewGrade Energy Inc.	233,302	—
The Pulp and Paper Mills Act		
Weyerhaeuser Canada Ltd.	70,697	9,260
	362,999	50,928
	\$885,042	\$560,486

** The amount is net of \$2,274,377 which is Manalta's equity in the Sinking Fund administered by the Minister of Finance.
(\$1,740,062 — 1987)

NOTE: In addition to the amount shown, there is a contingent liability for interest accrued on these items.

Government of the Province of Saskatchewan

Consolidated Fund

Schedule 12

Summary of Public Debt Transactions

March 31, 1988

(\$ Thousands)

	<i>Balance, Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment**</i>	<i>Balance, End of Year</i>
Debentures	\$ 7,394,556	\$ 1,536,479	\$ 465,530	\$ (92,420)	\$ 8,373,085
Treasury Bills	650,000	2,650,000	2,650,000	—	650,000
Promissory Notes	1,762,615	6,433,673	6,996,908	—	1,199,380
	\$ 9,807,171	\$ 10,620,152	\$ 10,112,438	\$ (92,420)	\$ 10,222,465

**Reflects the difference in conversion values at March 31, 1987 and March 31, 1988, resulting from converting \$ U.S. debt into \$ Canadian.

Auditor's Report

To the Members of the Legislative Assembly
of Saskatchewan

I have examined the statement of financial position of the Saskatchewan Heritage Fund as at March 31, 1988 and the statements of equity, revenue and expenditure, loan, investment and deposit activity, changes in financial position and cumulative provincial development expenditure for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the Saskatchewan Heritage Fund as at March 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Regina, Saskatchewan,
November 28, 1988.

A handwritten signature in dark ink, appearing to read 'W. G. Lutz', with a horizontal line drawn underneath it.

W. G. Lutz, F.C.A.,
Provincial Auditor.

(See Accompanying Notes)

Saskatchewan Heritage Fund

Statement of Equity

For the Year Ended March 31, 1988

(\$ Thousands)

	1988					1987
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Unallocated Equity, Beginning of Year	\$1,208,900	\$ 91,704	\$ —	\$ —	\$ 56,603	\$1,357,207
Excess of Revenue Over Expenditure, Net of Inter-divisional Transfers	70,978	5,723	629	1,582 (1,582)	3,860	82,772 (1,582)
Loss on Sale of Land	—	—	—	—	—	—
Provision for Loss — Loans to Crown Entities	(1,833)	—	—	—	—	(1,833)
Transfer to Reserves	—	(3,742)	(629)	—	—	(4,371)
Unallocated Equity, End of Year	\$1,278,045	\$ 93,685	\$ —	\$ —	\$ 60,463	\$1,432,193
Reserves, Beginning of Year	—	42,883	7,138	—	—	50,021
Transfers to Reserves	—	3,742	629	—	—	4,371
Reserves, End of Year	—	46,625	7,767	—	—	54,392
Total Equity, End of Year	\$1,278,045	\$ 140,310	\$ 7,767	\$ —	\$ 60,463	\$1,486,585
						\$1,407,228

(See Accompanying Notes)

Saskatchewan Heritage Fund

Statement of Revenue and Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

	1988				1987	
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Revenue						Total
Non-Renewable Resource Revenue						
Coal	\$ 18,439	\$ —	\$ —	\$ —	\$ —	\$ 18,439
Natural Gas	22,178	—	—	—	—	22,178
Oil	347,261	—	—	—	—	347,261
Potash	48,899	—	—	—	—	48,899
Sodium Sulphate	812	—	—	—	—	812
Uranium	19,718	—	—	—	—	19,718
Other Non-Renewable Resources	1,187	—	—	—	—	1,187
Total Non-Renewable Resource Revenue	458,494	—	—	—	—	458,494
Agricultural Lands Revenue						
Land Sales	—	—	—	7,758	—	7,758
Lease Revenue	—	—	—	11,681	—	11,681
Interest and Other	—	—	—	1,242	—	1,242
Total Agricultural Lands Revenue	—	—	—	20,681	—	20,681
Investment Revenue	233	10,329	629	36	4,544	15,771
Other Revenues	—	—	—	—	32	32
Total Revenue Before Inter-Divisional Transfers	458,727 (14,872)	10,329	629	20,717 14,872	4,576	494,978
Inter-divisional Transfers		—	—	—	—	—
Total Revenue, Net of Inter-Divisional Transfers	\$443,855	\$10,329	\$629	\$35,589	\$4,576	\$494,978
						\$332,750

(See Accompanying Notes)

Saskatchewan Heritage Fund

Statement of Loan, Investment and Deposit Activity

For the Year Ended March 31, 1988

(\$ Thousands)

	1988				1987
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division
					Total
					Total
Receipts					
Loans					
Potash Corporation of Saskatchewan	\$ 5,000	\$ —	\$ —	\$ —	\$ 5,000
Loans and Sale Agreements	—	—	—	834	834
NewGrade Energy Inc.	—	60,678	—	—	60,678
Investments	—	—	—	—	—
Agricultural Land and Related Assets:					
Recovery of Investment	—	—	—	6,220	6,220
NewGrade Energy Inc.	—	735	—	—	735
Other	—	—	—	1,149	1,149
Total Receipts	5,000	61,413	—	7,054	74,616
					10,189
Disbursements					
Other Loans	—	—	—	—	—
NewGrade Energy Inc.	—	—	—	—	54,578
Investments	—	—	—	944	944
Agricultural Land and Related Assets	—	77,583	—	—	77,583
Crown Investments Corp. of Sask.	—	77,583	—	—	77,583
Total Disbursements	—	77,583	—	944	78,527
					55,007
Excess of Receipts Over Disbursements	\$ 5,000	\$ (16,170)	\$ —	\$ 6,110	\$ (3,911)
					\$ (44,818)

(See Accompanying Notes)

Saskatchewan Heritage Fund

Statement of Changes in Financial Position

For the Year Ended March 31, 1988

(\$ Thousands)

	1988					1987
	Resources Division	Energy Security Division	Environmental Protection Division	Agricultural Division	Research and Development Division	Total
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, Beginning of Year	\$413,453	\$ 70,727	\$ 7,138	\$ 21,451	\$ 50,487	\$536,247
Revenue and Expenditure						
Revenue, Net of Inter-divisional Transfers	443,855	10,329	629	35,589	4,576	332,750
Expenditure	372,877	4,606	—	34,007	716	260,923
Excess of Revenue Over Expenditure, Net of Inter-Divisional Transfers	70,978	5,723	629	1,582	3,860	71,827
Loan, Investment and Deposit						
Receipts	5,000	61,413	—	7,054	1,149	74,616
Disbursements	—	77,583	—	944	—	78,527
Excess of Receipts Over Disbursements	5,000	(16,170)	—	6,110	1,149	(4,818)
Increase (Decrease) During the Year	75,978	(10,447)	629	7,692	5,009	27,009
Cash, Short-Term Investments and Loans, and Amount Receivable from the Consolidated Fund, End of Year	\$489,431	\$ 60,280	\$ 7,767	\$ 29,143	\$ 55,496	\$563,256
(See Accompanying Notes)						

(See Accompanying Notes)

Saskatchewan Heritage Fund

Statement of Cumulative Provincial Development Expenditure

For the Year Ended March 31, 1988

(\$ Thousands)

	1988		1987	
	Current Year Expenditure	Cumulative Year Expenditure	Current Year Expenditure	Cumulative Year Expenditure
Resource, Economic, and Industrial Development				
Beauval — Pinehouse Development Road	\$ —	\$ 4,062	\$ —	\$ 4,062
Buffalo Narrows Causeway	—	2,532	—	2,532
Buffalo Narrows Northern Development Airport	—	2,631	—	2,631
Buffalo Narrows Northern Development Airport — Facilities	—	267	—	267
Cluff Lake Development Road	—	4,813	—	4,813
Forestry Development Roads	—	1,384	—	1,384
Interprovincial Steel and Pipe Corporation Ltd. — Plant Expansion	—	2,803	—	2,803
Key Lake Development Road	—	6,436	—	6,436
La Ronge Aircraft Maintenance Facility	—	2,261	—	2,261
Northern Highway No. 2	—	784	—	784
Northern Highway No. 105	—	548	—	548
Northern Highway No. 106	—	12,586	—	12,586
Northern Highway No. 155	—	5,394	—	5,394
Resource Research Facility — Saskatoon	—	3,684	—	3,684
Total Resource, Economic, and Industrial Development	—	50,185	—	50,185
Health and Education				
Grant to the Saskatchewan Cancer Foundation	—	1,025	—	1,025
Grant to the University Hospital — Capital	—	17,614	—	17,614
Institute of Applied Arts and Sciences — Prince Albert	—	2,071	—	2,071
Provincial Laboratory Building	—	162	—	162
Saskatchewan Rehabilitation Centre	—	741	—	741
Saskatchewan Technical Institute Expansion	—	6,874	—	6,874
Saskatoon Hospitals Construction Program	—	1,231	—	1,231
University of Saskatchewan — Engineering Building Construction	—	27,525	—	27,525
University of Saskatchewan — Geological Sciences Building Construction	—	1,650	—	1,650
University of Saskatchewan — Veterinary College Building Expansion	—	12,540	—	12,540
Total Health and Education	—	71,433	—	71,433
Culture and Recreation				
Moose Jaw Wild Animal Park Development	—	2,519	—	2,519
Parks Facilities Development	—	2,402	—	2,402
Parks Facilities Development — Cypress Hills	—	549	—	549
Restoration of Northwest Territorial Government Administration Building	—	688	—	688
Restoration of Saskatchewan House	—	4,487	—	4,487
Saskatchewan Archives Building	—	284	—	284
1979 Western Canada Summer Games Inc. — Athletic Field House Grant	—	1,750	—	1,750
Total Culture and Recreation	—	12,679	—	12,679

Saskatchewan Heritage Fund

Statement of Cumulative Provincial Development Expenditure — (Concluded)

For the Year Ended March 31, 1988

(\$ Thousands)

	<i>1988</i>		<i>1987</i>	
	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>	<i>Current Year Expenditure</i>	<i>Cumulative Year Expenditure</i>
Municipal				
Construction of Court Houses — Regina and Saskatoon	—	25	—	25
Grant to the City of Lloydminster for Water Supply Project	—	9,150	—	9,150
Grants Under the Community Capital Fund Program	—	69,106	—	69,106
Souris River Valley Project	—	137	—	137
Total Municipal	—	78,418	—	78,418
Total Provincial Development Expenditure	\$ —	\$212,715	\$ —	\$212,715

(See Accompanying Notes)

Saskatchewan Heritage Fund

Notes to the Financial Statements

For the Year Ended March 31, 1988

1. Significant Accounting Policies

General Policies

1a. Reporting Entity

These financial statements have been prepared for the purpose of disclosing the state of the Saskatchewan Heritage Fund at March 31, 1988 and the results of its financial activities for the year then ended in accordance with the statutory authorities governing its operation.

The Saskatchewan Heritage Fund is a special purpose fund established under *The Heritage Fund (Saskatchewan) Act* to receive all non-renewable resource revenues of the Province, revenues from certain agricultural lands, interest and dividends on loans and investments made by the Fund, and any gains on disposals of investments held by the Fund.

The Fund is comprised of five divisions: The Resources Division, the Energy Security Division, the Environmental Protection Division, the Agricultural Division, and the Research and Development Division. The Agricultural Division and the Research and Development Division were created April 1, 1983 by *The Heritage Fund (Saskatchewan) Amendment Act, 1983*.

1b. Basis of Accounting

The financial statements of the Fund are prepared using a modified cash basis for a fiscal year commencing on April 1 and ending on March 31. Revenues are recorded as received and expenditures are charged to the accounts when payment is made. In addition, revenues received in the 30 days of April in respect of revenue raised up to March 31 of the preceding fiscal year are taken into revenue of the preceding fiscal year, and payments made during the 30 days of April which are for goods and services received in the preceding fiscal year are reported as expenditures of the preceding fiscal year.

1c. Classification of Financial Transactions

In accounting for the financial transactions, a distinction is drawn between those transactions which affect equity and those which affect recorded assets and liabilities. The equity of the Fund is the difference between recorded assets and liabilities and represents the difference between accumulated

revenues and accumulated expenditures.

Transactions are recorded within two categories in the Fund: Revenue and Expenditure, which only affect equity and Lending and Investing which affect recorded assets and liabilities.

● Revenue and Expenditure

Revenue and expenditure relate to normal operating activities.

● Revenue

Revenue includes revenues raised through taxation and royalties from non-renewable resources, income from investments, lease revenues and accounting gains on the sale of certain agricultural lands.

● Expenditure

Expenditure includes payments for goods and services, grants, the acquisition or construction of fixed assets and Fund Dividends paid to the Consolidated Fund.

● Lending and Investing

These transactions result from lending and investing functions which include the Fund's lending and investing activity in various Crown Corporations and agencies, other organizations and individuals, and in Agricultural Land and Related Assets acquired for resale.

● Assets and Liabilities

In general terms assets of the Fund consist of cash and short-term investments, loans to or investments in crown entities and other organizations and individuals, and investment in Agricultural Land and Related Assets. Capital Assets are treated as an expenditure in the year of purchase.

Liabilities consist of a loan from the Consolidated Fund.

Saskatchewan Heritage Fund

Notes to the Financial Statements — (Continued)

1. Significant Accounting Policies — (Concluded)

Specific Policies

1d. Cash and Short-Term Investments

• **Cash**

Cash is the balance on hand at March 31, adjusted in accordance with the modified cash basis of accounting as described in note 1b.

• **Short-Term Investments**

Short-term investments represent those investments purchased under authority of *The Heritage Fund (Saskatchewan) Act*. These investments consist mainly of chartered bank notes, treasury bills, commercial paper and bonds maturing within one year.

Short-term investments are carried at cost. Any gain (loss) on disposal of short-term investments is recorded as revenue (expenditure).

1e. Short-Term Loans to Crown Entities

These represent interest bearing loans made for a period of less than one year. Short-term loans are valued at cost.

1f. Amount Receivable From the Consolidated Fund

This represents the balance of cash transactions held by the Consolidated Fund on behalf of the Fund, except for cash received from interest and dividends which is deposited directly into the Fund. No interest accrues on this balance.

1g. Loans to Crown Entities

These are loans made for a period of greater than one year to crown corporations, boards and commissions and generally have fixed terms of repayment. With the exception of the Saskatchewan Grain Car Corporation, the loans are all interest bearing.

Loans are valued at cost. In cases where the liabilities of a crown entity significantly exceed the estimated realizable value of its assets and the accumulated deficit is not funded by an appropriation, the loan carried will be written down. All write-downs are charged directly to equity.

1h. Loans and Sale Agreements

Loans and Sale Agreements represent loans to lessees, and amounts due on Sales Agreements for the sale of Agricultural Land and Related Assets less the unrealized gain in accordance with the accounting policy which provides that gains are

included in revenue but are only recorded when cash is received. At March 31, 1988, long-term sales agreements outstanding total \$1,934,000. Of this amount, \$637,000 reflects the cost of land sold and is included in Loan and Sales Agreements. The balance of \$1,297,000 represents the unrealized gain on the sales and will be recorded as cash is received.

1i. Other Loans

Other loans are those made to nongovernment agencies or individuals and are subject to a variety of interest rates and terms of repayment.

Other loans are carried at cost and will be revalued if it becomes evident that they are uncollectible. All write-downs are charged directly to equity.

Interest received from these loans is recorded as revenue.

1j. Investments in Crown Entities

Investments in crown entities represent long-term equity advances which are non-interest bearing and have no fixed terms of repayment.

Investments are valued at original cost. Revaluation of the investment will occur when the liabilities of the crown entity significantly exceed the net realizable value of its assets and the accumulated deficit is not funded by appropriation. Any write-downs reducing the carrying value of the investment are charged directly to equity.

Dividends from the investments are recorded as revenue.

1k. Investment in Agricultural Land and Related Assets

The Heritage Fund (Saskatchewan) Amendment Act, 1983 transferred the assets and liabilities of the former Saskatchewan Land Bank Commission to the Agricultural Division of the Saskatchewan Heritage Fund effective April 1, 1983. Investment in Agricultural Land and Related Assets represents the cost of land and improvements held for resale.

Sales of these lands and improvements are recorded as a recovery of investment in amounts equal to the cost and any gains are recorded as revenue when received. Where the sale involves a long-term sales agreement, the amount equal to the cost of the investment sold is recorded as an asset; any amount due in respect of a gain on the sale is recorded as revenue only upon collection. Any loss on the sale of these lands and improvements is charged directly to equity.

Saskatchewan Heritage Fund

Notes to the Financial Statements — (Concluded)

Specific Policies — (Concluded)

11. Other Investments

These investments are carried at cost and will be revalued if it becomes evident that there has been a permanent reduction in the value of the investment. Any write-down of an investment is charged directly to equity.

1m. Loan from the Consolidated Fund

This represents a long-term obligation to the Consolidated Fund in respect of an interest bearing loan previously due from the Saskatchewan Land Bank Commission. Pursuant to provisions of The Farm Purchase Program Act the Farm Purchase Program Fund is authorized to receive the lease revenues on the land formerly owned by the Saskatchewan Land Bank Commission and in turn, to pay the interest on the loan from the Consolidated Fund. Accordingly, \$19,927,664 was paid by the Farm Purchase Program Fund to the Consolidated Fund in 1987-88 as interest expense on the outstanding loan. Pursuant to provisions of The Heritage Fund (Saskatchewan) Amendment Act, 1983, and as provided by appropriation, a payment of \$8,585,999 was made from the Saskatchewan Heritage Fund to the Farm Purchase Program Fund to cover the deficiency of the lease fees in meeting the interest costs.

2. Additional Information

2a. Equity

Equity of the Fund consists of two components: unallocated equity and reserve accounts. The reserve accounts were established pursuant to Treasury Board Directive as authorized by section 14 of The Heritage Fund (Saskatchewan) Act.

Within the Energy Security Division, an Energy Security Reserve has been created for the purpose of funding the future development of energy resources. Within the Environmental Protection Division, an Environmental Protection Reserve has been created to provide for contingency funding to mitigate unforeseen environmental problems related to uranium milling.

2b. Fund Dividend to the Consolidated Fund

An annual appropriation in the Saskatchewan Heritage Fund provides for fund dividends to the Consolidated Fund. Payments are made upon the direction of the Minister of Finance.

2c. Comparative Information

Certain of the 1987 figures have been reclassified to conform with the current year presentation; however, with regard to expenditures of the prior year, the figures are reported on the same basis as the estimates of the prior year.

Saskatchewan Heritage Fund**Schedule 1****Cash and Short-Term Investments**

March 31, 1988

	(\$ Thousands)	
	1988	1987
Cash		
Energy Security Division	\$ 24	\$ 4
Environmental Protection Division	55	7
Research and Development Division	5	5
	84	16
Short-Term Investments		
Energy Security Division	600	1,279
Environmental Protection Division	7,712	7,131
Research and Development Division	975	1,930
	9,287	10,340
	\$ 9,371	\$ 10,356

The market value of the Short-Term Investments at March 31, 1988 is \$9,376,865 (March 31, 1987 — \$10,428,742).

Saskatchewan Heritage Fund**Schedule 2****Short-Term Loans to Crown Entities**

March 31, 1988

	(\$ Thousands)	
	1988	1987
Energy Security Division		
Crown Investments Corporation of Saskatchewan	\$46,000	\$41,600
Research and Development Division		
Crown Investments Corporation of Saskatchewan	45,000	45,200
	\$91,000	\$86,800

Saskatchewan Heritage Fund**Schedule 3****Loans to Crown Entities**

March 31, 1988

(\$ Thousands)

	1988 Ending Balance	1987 Ending Balance
Resources Division		
Potash Corporation	\$ —	\$ 5,000
Saskatchewan Grain Car Corporation	46,350	46,350
Less: Provision for Loss	(4,967)	(3,134)
	41,383	48,216
Energy Security Division		
Saskatchewan Power Corporation	2,448	2,448
	\$43,831	\$50,664

Saskatchewan Heritage Fund**Schedule 4****Other Loans**

March 31, 1988

(\$ Thousands)

	1988	1987
Energy Security Division		
NewGrade Energy Inc.	\$ —	\$60,678
	\$ —	\$60,678

Saskatchewan Heritage Fund**Schedule 5****Investment in Crown Entities**

March 31, 1988

(\$ Thousands)

	1988	1987
Resources Division		
Crown Investments Corporation of Saskatchewan	\$109,976	\$109,976
Potash Corporation of Saskatchewan	418,553	418,554
Saskatchewan Mining Development Corporation	218,700	218,700
	747,229	747,230
Energy Security Division		
Crown Investments Corporation of Saskatchewan	77,583	—
	\$824,812	\$747,230

Saskatchewan Heritage Fund**Schedule 6****Other Investments**

March 31, 1988

(\$ Thousands)

	1988	1987
Energy Security Division		
NewGrade Energy Inc.	\$ —	\$ 735
Research and Development Division		
Federal Government Bonds	1,037	1,434
Provincial Government Bonds	3,268	3,410
Corporate Bonds	—	250
Saskatchewan Municipal Bonds	662	1,022
	4,967	6,116
	\$ 4,967	\$ 6,851

The market value of Long-Term Investments in bonds at March 31, 1988 is \$5,031,468 (March 31, 1987 — \$6,314,855.)

Part B — Additional Information

March 31, 1988

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1987-88
July 22/81	July 22/88	15.60	July 22 and Jan. 22	London	Can.	CIC	\$ 40,000,000.00	\$ 40,000,000.00	\$	\$
(The original issue of \$100,000,000 to be redeemed \$30,000,000 July 22/86, \$30,000,000.00 July 22/87, and \$40,000,000.00 July 22/88; Non Callable)										
Aug. 15/68	Aug. 15/88	7¼	Feb. 15 and Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power	11,025,500.00	11,025,500.00	11,618,443.86	330,765.00
(Callable in whole but not in part on any interest payment date on or after August 15, 1986)										
Oct. 12/83	Oct. 12/88	11½	April 12 and Oct. 12	R. W. T. M. St. J. V. E.	Can.	Consolidated Fund	125,000,000.00	125,000,000.00	.....	.....
(Non Callable)										
Dec. 2/83	Dec. 21/88	10¾	June 21 and Dec. 21	R. W. T. M. St. J. V. E.	Can.	CIC	100,000,000.00	100,000,000.00	.....	.....
(Non Callable)										
Feb. 15/69	Feb. 15/89	7 5/8	Feb. 15 and Aug. 15	N.Y.	U.S.	Sask Power	11,300,000.00	11,300,000.00**	12,466,049.88	339,000.00
(Callable in whole or in part by lot on or after February 15, 1984)										
Feb. 24/82	Feb. 24/89	16¾	Feb. 24 and Aug. 24	London	Can.	Sask Power	60,000,000.00	60,000,000.00	.....	.....
(The original issue of 100,000,000 to be redeemed \$20,000,000 February 24/87, \$20,000,000 Feb. 24/88, and \$60,000,000 February 24/89; Non Callable)										
March 15/82	March 15/89	16	March 15	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	SDMC CIC	50,000,000.00 75,000,000.00	125,000,000.00**	.....	.....
(Non Callable)										
Sept. 12/84	Sept. 12/89	12¼	March 12 and Sept. 12	R. W. T. M. St. J. V. E., H.	Can.	Consolidated Fund	100,000,000.00	100,000,000.00	.....	.....
(Non Callable)										
Sept. 12/86	Sept. 12/89	6¼	Sept. 12	Zurich	Can.	ACS	68,400,000.00	68,400,000.00	.....	.....
(This Swiss franc/Canadian dollar dual currency issue has principal in Canadian dollars with annual interest in Swiss francs. These interest payments have been converted by forward contract to Canadian dollars; Non Callable)										
Nov. 15/84	Nov. 15/89	11 7/8	Nov. 15	N.Y., Brussels, U.S., Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	SDMC Consolidated Fund	60,000,000.00** *53,200,000.00	113,200,000.00	.....	.....
* The Province's share of the original issue, \$40,000,000 11 7/8% U.S. debentures has been converted by forward contract to \$53,200,000 Canadian with an effective interest rate of 12.31%. (Non Callable)										
Feb. 12/87	Feb. 12/90	8½	Feb. 12	London, Regina, Frankfurt, Paris, Geneva, Brussels, Luxembourg	Can.	CIC ACS	60,000,000.00 90,000,000.00	150,000,000.00	.....	.....
(Non Callable)										
March 22/83	March 15/90	10¾	March 15	N.Y.	U.S.	SMDC CIC	75,000,000.00 50,000,000.00	125,000,000.00**	.....	.....
(Non Callable)										

Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1987-88
July 1/61	July 1/91	5%	July 1 and Jan. 1	R. W. T. M. St. J. V. E. H.	Can.	Sask Power	2,450,000.00	2,450,000.00	2,537,451.85	.....
(Callable in whole but not in part on any interest payment date on or after July 1, 1989)										
July 24/86	July 24/91	7½	July 24	N. Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	U.S.	CIC CIC SMDC	50,000,000.00** 69,125,000.00*** 25,000,000.00**	144,125,000.00	.....	.....
***A portion of Crown Investment Corporation's share of the original issue \$50,000,000 7½% U.S. debentures has been converted by forward contract of \$69,125,000 Canadian										
Jan. 28/88	July 28/91	9	Jan. 21 and July 21	N.Y.	U.S.	SMDC	50,000,000.00	50,000,000.00**	.....	.....
(Non Callable)										
Oct. 1/81	Oct. 1/91	16 3/8	Oct. 1 and April 1	N.Y.	U.S.	Sask Power Sask Tel	150,000,000.00 50,000,000.00	200,000,000.00**	.....	.....
(Non Callable)										
Dec. 30/86	Dec. 30/91	9	June 30 and Dec. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	CIC Consolidated Fund	65,000,000.00 85,000,000.00	150,000,000.00	.....	.....
(Non Callable)										
March 1/85	March 1/92	11.26	March 1	N.Y., Brussels, Frankfurt/Main, London, Luxembourg, Paris, Zurich	Can.	MFC Consolidated Fund	26,710,000.00 106,840,000.00	133,550,000.00	.....	.....
(The original issue of \$100,000,000, 10¼% U.S. debentures has been converted by forward contract to \$133,550,000 Canadian; Non Callable)										
June 30/82	June 30/92	15 5/8	June 30	Zurich	U.S.	Sask Power	46,452,384.00	46,452,384.00**	.....	.....
(The original issue of 100,000,000 6¼% Swiss Franc debentures has been converted to \$46,452,384 U.S.; Non Callable)										
July 25/85	July 25/92	7 7/8	July 25 Jan. 25	Tokyo	Can.	Consolidated Fund	61,629,172.67	61,629,172.67	.....	.....
(The original issue of 15,000,000,000 Yen has been converted by forward contract to \$61,629,172.67 Canadian; Non Callable)										
Aug. 25/82	Aug. 15/92	15	Aug. 15	N.Y.	U.S.	CIC Sask Power	50,000,000.00 100,000,000.00	150,000,000.00**	.....	.....
(Non Callable)										
Feb. 25/88	Feb. 25/93	9¾	Feb. 25 and Aug. 25	Any Canadian Branch of The Royal Bank of Canada	Can.	SPMC ACS CIC	50,000,000.00 50,000,000.00 100,000,000.00	200,000,000.00	.....	.....
(Non Callable)										
March 24/88	March 24/93	9¼	March 24 and Sept. 24	Any Canadian Branch of The Royal Bank of Canada	Can.	CIC Consolidated Fund	100,000,000.00 100,000,000.00	200,000,000.00	.....	.....
(Non Callable)										
April 1/63	April 1/93	5¼	April 1 and Oct. 1	Bank of Montreal in H. St. J., M., T., W., R., S., E. and V.	Can.	Univ. of Sask.	4,000,000.00	4,000,000.00	5,431,936.57	60,000.00
(Non Callable)										

Details of Public Debt Outstanding

Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1987-88
May 29/86	May 29/93	8.63	May 29	Tokyo	Can.	CIC Consolidated Fund	40,903,141.36 40,903,141.36	81,806,282.72		
(The original 6.4% 10,000,000,000 Yen loan has been converted by forward contract to Canadian dollars with an effective interest rate of 8.63%; Non Callable)										
Jan. 15/64	Jan. 15/94	5½	Jan. 15 and July 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power	3,769,000.00	3,769,000.00	3,381,877.76	65,957.50
(Callable in whole but not in part on any interest payment date on or after January 15, 1991)										
March 2/88	March 2/95	9.625	March 2 and Sept. 2	Any Canadian Branch of The Royal Bank of Canada	Can.	ACS	200,000,000.00	200,000,000.00		
Oct. 1/65	Oct. 1/95	5½	Oct. 1 and April 1	Bank of Montreal in H., St. J., M., T., W., R., S., E. and Van.	Can.	Univ. of Sask.	4,000,000.00	4,000,000.00	3,640,581.18	60,000.00
(Callable in whole but not in part on or after October 1, 1983)										
April 1/81	April 1/96	13 3/8	April 1 and Oct. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	73,955,500.00 73,955,500.00	147,911,000.00		
(Non Callable)										
April 16/86	April 16/96	9¾	April 16 and Oct. 16	Any Canadian Branch of the Royal Bank of Canada	Can.	CIC Consolidated Fund	35,000,000.00 165,000,000.00	200,000,000.00		
(Non Callable)										
Sept. 17/86	Sept. 17/96	9	March 17 and Sept. 17	Any Canadian Branch of the Royal Bank of Canada	Can.	Consolidated Fund	285,000,000.00	285,000,000.00		
(The original issue of \$200,000,000 was re-opened April 17, 1987; Non Callable)										
Dec. 11/86	Dec. 11/96	9	June 11 and Dec. 11	Any Canadian Branch of the Royal Bank of Canada	Can.	Consolidated Fund	350,000,000.00	350,000,000.00		
(Redeemable at the option of the holder on December 11, 1989)										
April 8/87	April 8/97	5½	April 8 and Oct. 8	Tokyo	Yen	Consolidated Fund	44,024,655.00	44,024,655.00		
The issue of \$5,000,000,000 Japanese Yen is shown in the Canadian dollar equivalent at .0088049 rate at the issue date. (March 31, 1988 rate — .009949). Principal and interest are due in the original currency. (Non Callable)										
Nov. 27/87	Nov. 27/97	5¼	Nov. 27	Zurich	SF	Consolidated Fund	87,320,991.97	87,320,991.97		
The issue of 100,000,000 Swiss Francs is shown in the Canadian dollar equivalent at .87321 the rate at the issue date (March 31, 1988 — .9058). Interest payments have been hedged to Canadian dollars while the principal is due in the original currency. (Non Callable)										
Feb. 15/73	Feb. 15/98	7¾	Feb. 15 and Aug. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	25,000,000.00 5,000,000.00	30,000,000.00	15,088,959.26	450,000.00

Public Issue Debentures — (Continued)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1987-88
Feb. 17/88	Feb. 17/98	4%	Feb. 17	Zurich	SF	Consolidated Fund	145,095,762.00	145,095,762.00	.....	.....
The issue of 150,000,000 Swiss Francs is shown in the Canadian dollars equivalent at .96731, the rate at the issue date. (March 31, 1988 — .9058). Interest payments have been hedged to Canadian Dollar while the principal is due in the original currency. (Non Callable)										
Dec. 3/73	Dec. 3/98	8 1/4	Dec. 3 and June 3	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	15,000,000.00 <u>15,000,000.00</u>	30,000,000.00	9,899,139.97	300,000.00
(Callable in whole but not in part on any interest payment date on or after December 3, 1993)										
Dec. 2/74	Dec. 2/99	10	June 2 and Dec. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	20,000,000.00 <u>25,000,000.00</u>	45,000,000.00	14,460,774.42	450,000.00
(Callable in whole but not in part on any interest payment date on or after December 2, 1994)										
June 2/80	June 2/00	11 1/4	June 2 and Dec. 2	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	50,000,000.00 <u>25,000,000.00</u>	75,000,000.00	8,942,463.77	750,000.00
(Callable in whole but not in part on any interest payment date on or after June 2, 1997)										
Nov. 3/75	Nov. 3/00	9 7/8	Nov. 3 and May 3	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	2,962,857.14 <u>2,222,142.86</u>	5,185,000.00	1,404,168.52	51,850.00
(Callable in whole but not in part on any interest payment date on or after November 3, 1995)										
April 1/76	April 1/01	10 1/4	April 1 and Oct. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	50,000,000.00 <u>25,000,000.00</u>	75,000,000.00	17,322,911.84	750,000.00
(Callable April 1, 1996 in whole or on any interest payment date thereafter)										
Feb. 1/77	Feb. 1/02	9	Feb. 1 and Aug. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	50,000,000.00 <u>25,000,000.00</u>	75,000,000.00	16,269,582.27	750,000.00
(Callable February 1, 1997 or on any interest payment date thereafter in whole but not in part)										
Dec. 1/82	Dec. 1/02	13	June 1 Dec. 1	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Tel	75,000,000.00	150,000,000.00	10,701,977.92	1,500,000.00
(Callable in whole but not in part on any interest payment date on or after Dec. 1/2000)										
March 30/83	March 30/03	12 1/4	March 30 and Sept. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	350,000,000.00 <u>25,000,000.00</u>	375,000,000.00	21,660,162.75	3,750,000.00
(The original issue of \$150,000,000.00 was reopened December 21, 1983 — \$125,000,000.00 and April 30, 1985 — \$100,000,000.00; Callable in whole but not in part on any interest payment date on or after March 30, 2001)										
June 15/78	June 15/03	9 1/2	June 15 and Dec. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	45,000,000.00 <u>30,000,000.00</u>	75,000,000.00	12,986,867.59	750,000.00
(Callable as a whole on June 15, 1998 or on any interest payment date thereafter)										

(Callable as a whole on June 15, 1998 or on any interest payment date thereafter)

Details of Public Debt Outstanding

Public Issue Debentures — (Concluded)

Date of Issue	Date of Maturity	Interest Rate %	Date of Interest Payments	Where Payable	Currency	Purpose of Issue	Amount Outstanding	Total Issue Outstanding	Equity of Applicable Sinking Fund	Sinking Fund Contribution Made 1987-88
May 15/79	May 15/04	10	May 15 and Nov. 15	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power Sask Tel	60,000,000.00 40,000,000.00	100,000,000.00	14,577,122.68	1,000,000.00
(Callable in whole but not in part on May 15, 1999 or on any interest payment date thereafter)										
Dec. 30/86	Dec. 30/04	9 5/8	June 30 and Dec. 30	Any Canadian Branch of the Royal Bank of Canada	Can.	Sask Power	100,000,000.00	100,000,000.00	.....	.....
(Non Callable)										
Nov. 15/76	Nov. 15/06	8.70	Nov. 15 and May 15	N.Y.	U.S.	Sask Power Sask Tel	75,000,000.00 50,000,000.00	125,000,000.00**	28,261,642.34	1,250,000.00
(Callable November 15, 1991 in whole or in part by lot thereafter)										
May 15/77	May 15/07	8 5/8	May 15 and Nov. 15	N.Y.	U.S.	Sask Power Sask Tel	75,000,000.00 50,000,000.00	125,000,000.00**	25,550,509.46	1,250,000.00
(Callable in whole or in part on May 15, 1992 or on subsequent dates)										
March 2/83	March 1/08	9	March 1	London, Toronto	Can.	Sask Power	50,000,000.00	50,000,000.00	.....	.....
(Non Callable)										
April 15/78	April 15/08	9 1/4	April 15 and Oct. 15	Royal Bank of Canada Trust Co.	U.S.	Sask Power Sask Tel	75,000,000.00 50,000,000.00	125,000,000.00**	21,826,942.27	1,250,000.00
(Callable in whole or in part on April 15, 1993 or on subsequent dates)										
Dec. 1/65	Dec. 1/15	5 1/8	June 1 and Dec. 1	Ottawa	Can.	Univ. of Sask.	2,258,567.32	2,258,567.32	.....	.....
(Payable in blended semi-annual payments of principal and interest totalling \$76,399.60. Prepayable in whole or in part any time prior to December 1/2015, without penalty)										
								\$ 6,524,945,819.08		
**Adjustment to reflect conversion of debentures quoted in U.S. \$ to Canadian \$ using the exchange rate in effect at March 31, 1988 (\$1.2341) on a total U.S. debt of \$1,376,602,384.00								322,262,618.09		
Total Public Issue Debentures Outstanding as at March 31, 1988								\$ 6,847,208,437.17		
Sinking Fund Equity on Public Debentures at March 31, 1988									\$ 291,423,698.91	
Sinking Fund Contributions as Listed										\$ 15,673,072.50
Plus Sinking Fund contributions made in 1987-88 on matured debentures 7% November 15, 1987										163,500.00
Total contributions to Public Debentures Sinking Funds in 1987-88 Fiscal Year										\$ 15,836,572.50

Explanatory Note

R-Regina; W-Winnipeg; T-Toronto; M-Montreal; St.J.-Saint John, N.B.; V-Vancouver; E-Edmonton; H-Halifax; C-Calgary; O-Ottawa; N.Y.-New York.
All issues payable in Canada, redeemable at any branch of The Royal Bank of Canada in Canada.

Other Debentures Outstanding

March 31, 1988

	<i>Range of Maturity</i>	<i>Range of Interest Rates</i>	<i>Total</i>	<i>Equity in Sinking Funds</i>
Municipal Development Loan Fund Debentures	1988-2008	5.25 - 5.625	\$ 677,649	\$ —
Canada Pension Plan Debentures	1988-2008	6.40-17.51	1,519,093,000	163,128,101
Debentures Issued Under the Authority of the Federal-Provincial Employment Program	1993	6.67-7.23	595,996	—
Agricultural Services Centres Agreements	1995-2004	Various	5,509,027	—
Total Other Debentures			\$1,525,875,672	\$163,228,101
Total Public Issue Debentures			6,847,208,437	\$291,423,699
			\$8,373,084,109	\$ 454,551,800

Summary of Public Debt Transactions

March 31, 1988

(\$ Thousands)

	<i>Balance Beginning of Year</i>	<i>Sold</i>	<i>Redeemed</i>	<i>Exchange Rate Adjustment**</i>	<i>Balance End of Year</i>
Debentures					
Public Issues	\$5,926,734	\$ 1,448,146	\$ 435,251	\$ (92,420)	\$6,847,209
Canada Pension Plan	1,460,423	88,333	29,663	—	1,519,093
Agricultural Services Centres Agreement	5,818	—	308	—	5,510
Municipal Development Loan Fund	907	—	230	—	677
Federal-Provincial Employment Program	674	—	78	—	596
	7,394,556	1,536,479	465,530	(92,420)	8,373,085
Treasury Bills					
1266	650,000	2,650,000	2,650,000	—	650,000
	650,000	2,650,000	2,650,000	—	650,000
Promissory Notes					
P.N.D.	1,762,615	6,433,673	6,996,908	—	1,199,380
	\$9,807,171	\$10,620,152	\$10,112,438	\$ (92,420)	\$10,222,465

**Reflects the difference in conversion values at March 31, 1986, and March 31, 1987 resulting from converting \$ U.S. debt into \$ Canadian.

Debt Redemption

March 31, 1988

Consolidated Fund		<i>(\$ Thousands)</i>	
Finance			
Statutory Appropriation			
Estimate	\$10,112,438	Payments	\$10,112,438
Debentures			\$ 465,530
Treasury Bills			2,650,000
Promissory Notes			6,996,908
			\$10,112,438

Promissory Notes Outstanding

March 31, 1988

<i>Date of Issue</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount of Original Issue</i>	<i>Amount Outstanding</i>
January 4, 1988	April 4, 1988	8.700	\$ 25,000,000	\$ 25,000,000
February 1, 1988	April 4, 1988	8.510	5,000,000	5,000,000
February 1, 1988	April 4, 1988	8.500	5,000,000	5,000,000
March 22, 1988	April 4, 1988	8.450	20,000,000	20,000,000
December 29, 1987	April 5, 1988	8.770	20,000,000	20,000,000
December 30, 1987	April 5, 1988	8.760	10,000,000	10,000,000
January 4, 1988	April 5, 1988	8.700	25,000,000	25,000,000
January 6, 1988	April 5, 1988	8.650	2,330,000	2,330,000
January 8, 1988	April 5, 1988	8.670	25,000,000	25,000,000
January 11, 1988	April 5, 1988	8.620	18,000,000	18,000,000
February 1, 1988	April 5, 1988	8.530	2,000,000	2,000,000
February 1, 1988	April 6, 1988	8.540	5,000,000	5,000,000
December 29, 1987	April 7, 1988	8.770	20,000,000	20,000,000
January 7, 1988	April 7, 1988	8.610	10,000,000	10,000,000
January 8, 1988	April 7, 1988	8.660	1,000,000	1,000,000
February 1, 1988	April 7, 1988	8.530	8,000,000	8,000,000
January 8, 1988	April 8, 1988	8.660	10,000,000	10,000,000
January 8, 1988	April 8, 1988	8.670	10,000,000	10,000,000
October 13, 1987	April 11, 1988	10.380	20,000,000	20,000,000
January 8, 1988	April 11, 1988	8.670	15,000,000	15,000,000
January 11, 1988	April 11, 1988	8.620	20,000,000	20,000,000
October 14, 1987	April 12, 1988	10.370	25,000,000	25,000,000
January 11, 1988	April 12, 1988	8.620	17,000,000	17,000,000
January 15, 1988	April 14, 1988	8.600	50,000,000	50,000,000
January 12, 1988	April 15, 1988	8.590	25,000,000	25,000,000
January 15, 1988	April 18, 1988	8.600	40,000,000	40,000,000
January 18, 1988	April 18, 1988	8.600	5,000,000	5,000,000
March 15, 1988	April 20, 1988	8.380	10,000,000	10,000,000
January 7, 1988	April 25, 1988	8.720	55,000,000	55,000,000
October 30, 1987	April 27, 1988	8.350	14,975,000	14,975,000
January 13, 1988	April 28, 1988	8.660	3,000,000	3,000,000
January 18, 1988	April 29, 1988	8.620	20,000,000	20,000,000
January 26, 1988	April 29, 1988	8.560	10,000,000	10,000,000
January 7, 1988	May 2, 1988	8.770	5,000,000	5,000,000
January 26, 1988	May 2, 1988	8.600	15,000,000	15,000,000
January 29, 1988	May 2, 1988	8.530	10,000,000	10,000,000
January 29, 1988	May 2, 1988	8.580	45,000,000	45,000,000
January 4, 1988	May 3, 1988	8.850	25,000,000	25,000,000
February 1, 1988	May 3, 1988	8.510	5,000,000	5,000,000
January 4, 1988	May 4, 1988	8.830	25,000,000	25,000,000
January 5, 1988	May 5, 1988	8.830	400,000	400,000
January 5, 1988	May 5, 1988	8.830	24,600,000	24,600,000
January 12, 1988	May 5, 1988	8.690	30,000,000	30,000,000
January 6, 1988	May 6, 1988	8.780	25,000,000	25,000,000
January 6, 1988	May 9, 1988	8.780	25,000,000	25,000,000
January 13, 1988	May 9, 1988	8.710	10,000,000	10,000,000
January 13, 1988	May 9, 1988	8.730	25,000,000	25,000,000
January 26, 1988	May 9, 1988	8.650	6,800,000	6,800,000
February 8, 1988	May 9, 1988	8.350	15,000,000	15,000,000
February 8, 1988	May 9, 1988	8.350	15,000,000	15,000,000
February 11, 1988	May 12, 1988	8.320	7,500,000	7,500,000
February 11, 1988	May 13, 1988	8.320	7,500,000	7,500,000
February 12, 1988	May 13, 1988	8.340	10,000,000	10,000,000
January 18, 1988	May 16, 1988	8.600	700,000	700,000
February 10, 1988	May 16, 1988	8.330	20,000,000	20,000,000
February 12, 1988	May 16, 1988	8.330	10,000,000	10,000,000
January 18, 1988	May 17, 1988	8.700	25,000,000	25,000,000
November 25, 1987	May 25, 1988	8.870	21,000,000	21,000,000
August 28, 1987	May 27, 1988	9.830	5,000,000	5,000,000
March 31, 1988	May 31, 1988	8.510	15,000,000	15,000,000
December 4, 1987	June 1, 1988	9.220	9,400,000	9,400,000

Promissory Notes Outstanding — Concluded

March 31, 1988

<i>Date of Issue</i>	<i>Maturity Date</i>	<i>Interest Rate</i>	<i>Amount of Original Issue</i>	<i>Amount Outstanding</i>
December 4, 1987	June 3, 1988	9.230	5,000,000	5,000,000
December 4, 1987	June 3, 1988	9.220	4,275,000	4,275,000
December 4, 1987	June 3, 1988	9.220	100,000	100,000
December 4, 1987	June 3, 1988	9.220	1,400,000	1,400,000
December 4, 1987	June 3, 1988	9.220	1,500,000	1,500,000
December 10, 1987	June 10, 1988	9.150	4,500,000	4,500,000
March 15, 1988	June 14, 1988	8.420	25,000,000	25,000,000
March 16, 1988	June 15, 1988	8.430	12,500,000	12,500,000
March 15, 1988	June 16, 1988	8.420	25,000,000	25,000,000
March 15, 1988	June 16, 1988	8.420	20,000,000	20,000,000
March 16, 1988	June 20, 1988	8.430	12,500,000	12,500,000
January 6, 1989	June 30, 1988	8.970	26,000,000	26,000,000
January 7, 1988	July 18, 1988	8.930	15,000,000	15,000,000
January 13, 1988	July 21, 1988	9.030	11,100,000	11,100,000
January 29, 1988	July 28, 1988	8.630	6,700,000	6,700,000
February 8, 1988	August 9, 1988	8.470	6,600,000	6,600,000
February 11, 1988	August 15, 1988	8.410	10,000,000	10,000,000
February 12, 1988	August 15, 1988	8.430	10,000,000	10,000,000
March 31, 1988	December 19, 1988	8.970	3,000,000	3,000,000
February 9, 1988	February 6, 1989	8.670	10,000,000	10,000,000
Total			\$1,199,380,000	\$1,199,380,000

Treasury Bills Outstanding

March 31, 1988

<i>Rate</i>	<i>Series</i>	<i>Maturing</i>	<i>Amount Outstanding</i>
Non-Interest Bearing	1266	\$50,000,000 weekly	\$650,000,000
			\$650,000,000

Note:

Treasury Bills Series 1266 represent funds initially used to finance highway construction and other capital expenditures and to cover temporary insufficiencies of the Consolidated Fund. These Bills were issued at various discount rates.

Interest on Public Debt — Province's and Crown Entities' Share

March 31, 1988

(\$ Thousands)

	Public Debt Debentures	C.P.P. Investment Fund Debentures	Other Debentures	Promissory Notes	Treasury Bills	Interest Charges	Total
Crown Entities							
Saskatchewan Power Corporation	\$213,143	\$ 55,241	\$ —	\$ 74	\$ —	—	\$268,458
Saskatchewan Telecommunications	70,315	12,433	—	1,474	—	—	84,222
University of Saskatchewan	—	159	—	—	—	—	159
Saskatchewan Water Corporation	—	891	—	—	—	—	891
Saskatchewan Economic Development Corporation	1,520	3,289	—	3,159	—	—	7,968
Saskatchewan Heritage Fund	—	19,928	—	—	—	—	19,928
Agricultural Credit Corporation of Saskatchewan	11,930	20,224	—	65,351	—	—	97,505
Agriculture Development Corporation	—	—	—	46	—	—	46
Saskatchewan Housing Corporation	—	38,063	—	—	—	—	38,063
Polash Corporation of Saskatchewan	34,132	—	—	3,118	—	—	37,250
Crown Investments Corporation of Saskatchewan	73,920	8,012	—	18,168	—	—	100,100
Saskatchewan Government Printing Company	—	—	—	177	—	—	177
Saskatchewan Mining Development Corporation	72,365	—	—	426	—	—	72,791
Municipal Financing Corporation of Saskatchewan	5,537	—	—	1,572	—	—	7,109
Farm Purchase Program	—	—	—	45	—	—	45
Saskatchewan Property Management Corporation	—	—	—	20,822	—	—	20,822
Province's Share	168,713	401	580	32,948	55,033	24,367	282,042
	\$651,575	\$158,641	\$ 580	\$147,380	\$ 55,033	\$ 24,367	\$1,037,576

Summary of Sinking Funds

March 31, 1988

Sinking Fund	Total	Province	Sask Tel	Sask Power	Sask Water	University of Saskatchewan	Manalta
General Sinking Fund							
8 3/4% Dec. 1, 1990	\$ 17,832,634.03	\$ —	—	\$ 17,832,634.03	\$ —	\$ —	—
7 3/4% Feb. 15, 1998	15,088,959.26	—	2,514,826.55	12,574,132.71	—	—	—
8 1/4% Dec. 3, 1998	9,899,139.95	—	4,949,569.97	4,949,569.98	—	—	—
10% Dec. 2, 1999	14,460,774.43	—	8,033,763.57	6,427,010.86	—	—	—
1 1/3% June 2, 2000	8,942,463.77	—	2,980,821.26	5,961,642.51	—	—	—
9 7/8% Nov. 3, 2000	1,404,168.52	—	601,786.55	802,381.97	—	—	—
10 1/4% April 1, 2001	17,322,911.84	—	5,774,303.95	11,548,607.89	—	—	—
9% Feb. 1, 2002	16,269,582.27	—	5,423,194.09	10,846,388.18	—	—	—
13% Dec. 1, 2002	10,701,977.92	—	5,350,988.96	5,350,988.96	—	—	—
12 1/4% March 30, 2003	21,660,162.74	—	1,444,010.85	20,216,151.89	—	—	—
9 1/2% June 15, 2003	12,986,867.58	—	5,194,747.03	7,792,120.55	—	—	—
10% May 15, 2004	14,577,122.68	—	5,830,849.07	8,746,273.61	—	—	—
8 7/10% May 15, 2006	28,261,642.34	—	11,304,656.92	16,956,985.42	—	—	—
8.675% May 15, 2007	25,550,509.46	—	10,220,203.78	15,330,305.68	—	—	—
9 1/4% April 15, 2008	21,826,942.27	—	8,730,776.91	13,096,165.36	—	—	—
Total General Sinking Fund							
7% Nov. 15, 1987	236,785,859.06	—	78,354,499.46	158,431,359.60	—	—	—
7 25% Aug. 15, 1988	11,618,443.86	—	—	11,618,443.86	—	—	—
7.625% Feb. 15, 1989	12,466,049.88	—	—	12,466,049.88	—	—	—
4.875% Oct. 1, 1990	15,561,498.52	—	10,374,332.34	5,187,166.18	—	—	—
5.75% July 1, 1991	2,537,451.85	—	—	2,537,451.85	—	—	—
5.25% April 1, 1993	5,431,936.57	5,431,936.57	—	—	—	—	—
5.5% Jan. 15, 1994	3,381,877.76	—	—	3,381,877.76	—	—	—
5.5% Oct. 1, 1995	3,640,581.18	3,640,581.18	—	—	—	—	—
Canada Pension Plan							
5.88% Nov. 1, 1987-88	—	—	—	—	—	—	—
6.73% Nov. 1, 1988-89	37,574,969.00	—	5,274,290.97	29,438,952.45	2,861,725.57	—	—
7.68% Nov. 1, 1989-90	35,561,059.87	—	6,262,288.16	29,024,472.55	274,299.16	—	—
7.78% Nov. 1, 1990-91	34,665,822.71	—	7,929,772.09	26,736,050.62	—	—	—
7.06% Nov. 1, 1991-92	25,066,971.29	—	6,325,644.10	18,462,150.61	419,176.58	—	—
7.38% Nov. 1, 1992-93	21,457,438.12	—	8,459,766.88	12,997,671.24	—	—	—
7.53% Nov. 1, 1993-94	7,548,583.20	—	4,367,179.80	3,181,403.40	—	938,561.91	—
9.14% Nov. 1, 1995-96	938,561.91	—	—	—	—	—	—
8.88% Nov. 1, 1997-98	174,695.21	—	—	—	174,695.21	—	—
Total Provincial Sinking Funds	454,551,799.98	9,072,517.75	127,347,773.80	313,463,050.00	3,729,896.52	938,561.91	—
Administered for Others	2,274,377.59	—	—	—	—	—	2,274,377.59
Total Sinking Funds Administered	\$456,826,177.57	\$ 9,072,517.75	\$127,347,773.80	\$313,463,050.00	\$ 3,729,896.52	\$ 938,561.91	\$ 2,274,377.59

Sinking Fund Payments

For the Year Ended March 31, 1988

Consolidated Fund

Finance

Statutory Appropriation

Estimate

\$19,260

Less: Estimated Reimbursement

18,837

\$ 423

Payments

\$ 423

Total Payments

\$19,260

Less Reimbursements:

Saskatchewan Power Corporation

\$13,340

Saskatchewan Telecommunications

5,462

University of Saskatchewan

35

18,837

\$ 423

Summary of Loan, Investment and Deposit Activity ***Increases (Decreases) in Loans to Crown Entities and Others***

For the Year Ended March 31, 1988

(\$Thousands)

	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Consolidated Fund					
Loans to Crown Entities					
Agricultural Credit Corporation of Saskatchewan	\$ —	\$ 400,000	\$ 257,000	\$ 623,100	\$ (223,100)
Crown Investments Corporation of Saskatchewan	323,100	792,145	280,000	349,125	443,020
Potash Corporation of Saskatchewan	153,300	—	—	523,020	(523,020)
Saskatchewan Economic Development Corporation	33,050	7,000	—	—	7,000
Saskatchewan Mining Development Corporation	44,000	61,705	77,663	229,766	(168,061)
Saskatchewan Municipal Financing Corporation	20,000	—	—	—	—
Saskatchewan Power Corporation	206,000	67,736	29,752	29,752	37,984
Saskatchewan Property Management Corporation	143,241	158,844	—	—	158,844
Saskatchewan Telecommunications	35,000	13,597	772	772	12,825
Saskatchewan Water Corporation	—	—	9,839	9,839	(9,839)
Increase in Loans to Crown Entities	957,691	1,501,027	655,026	1,765,374	(264,347)
Other Loans					
Agriculture					
South Saskatchewan River Irrigation Project:					
Acquisition of Lands for Resale	—	—	—	16	(16)
Loans to Farm Operators for Land Improvement	—	—	—	1	(1)
Education					
School Loans	—	—	—	87	(87)
Student Loan Program	—	28,025	—	597	27,428
Finance					
University of Saskatchewan	—	—	—	8	(8)
Treasury Advances	—	972	—	1,023	(51)
Payroll — Holiday Advance	—	696	—	694	2

Summary of Loan, Investment and Deposit Activity

Increases (Decreases) in Loans to Crown Entities and Others — (Concluded)

For the Year Ended March 31, 1988

(\$Thousands)

	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Health					
University Hospital Board	—	—	—	72	(72)
Tourism, Small Business and Co-operatives					
Economic Development Loans	—	682	—	—	682
Urban Affairs					
Agricultural Service Centres Agreement:					
Shareable	—	—	—	313	(313)
Employment Loans Programs:					
Federal-Provincial	—	—	—	78	(78)
Loans to Industrial Towns	—	—	—	70	(70)
Loans to Municipalities Pursuant to Downtown Development Agreements	—	695	—	—	695
Loans to Municipalities under The Municipal Development and Loans (Saskatchewan) Act	—	—	—	230	(230)
Winter Works Programs					
Federal-Provincial	—	—	—	469	(469)
Provincial	—	—	—	98	(98)
Urban Loan Assistance Program	—	—	—	2	(2)
Saskatchewan Crop Insurance Corporation Insurance Fund					
Loans to the Saskatchewan Crop Insurance Fund pursuant to an agreement between the Provincial and Federal Government	—	46,907	—	46,907	—
Agricultural Returns Stabilization Fund					
Loans pursuant to the Saskatchewan Agricultural Returns Stabilization Act	—	11,089	—	9,825	1,264
Increase in Other Loans	—	89,066	—	60,490	28,576
Consolidated Fund Increase in Loans	957,691	1,590,093	655,026	1,825,864	(235,771)
Saskatchewan Heritage Fund					
Loans to Crown Entities					
Potash Corporation of Saskatchewan	—	—	5,000	5,000	(5,000)
Decrease in Loans to Crowns	—	—	5,000	5,000	(5,000)
Other Loans					
Loans and Sale Agreements	—	—	—	834	(834)
NewGrade Energy Inc.	—	—	—	60,678	(60,678)
Increase in Other Loans	—	—	—	61,512	(61,512)
Heritage Fund Increase (Decrease) in Loans	—	—	5,000	66,512	(66,512)
Total Combined Increase in Loans	\$ 957,691	\$ 1,590,093	\$ 660,026	\$ 1,892,376	\$ (302,283)

Increases (Decreases) in Investments in Crown Entities and Others*For the Year Ended March 31, 1988*

	(\$Thousands)				
	Loans		Repayments		Actual Net Increase (Decrease)
	Estimate	Actual	Estimate	Actual	
Consolidated Fund					
Paradise Hill Seed Cleaning Co-operative Limited	\$ —	\$ —	\$ —	\$ 5	\$ (5)
Consolidated Fund Increase in Investments in Crown Entities and Others	—	—	—	5	(5)
Saskatchewan Heritage Fund					
Other Investments	600	—	—	1,149	(1,149)
NewGrade Energy Inc.	77,583	77,583	—	735	76,848
Saskatchewan Heritage Fund					
Increase in Investments in Crown Entities and Others	78,183	77,583	—	1,884	75,699
Total Combined Increase (Decrease) in Investments	\$ 78,183	\$ 77,583	\$ —	\$ 1,889	\$75,694

Increase (Decrease) in Amounts Payable to Crown Entities*For the Year Ended March 31, 1988*

	(\$ Thousands)		
	<i>Receipts on behalf of</i>	<i>Disbursements on behalf of</i>	<i>Increase (Decrease)</i>
Consolidated Fund			
Saskatchewan Heritage Fund	\$566,383	\$ 490,736	\$ 75,647
Saskatchewan Hospital Services Fund	527,086	520,776	6,310
Saskatchewan Liquor Board	122,000	—	122,000
Special Projects Fund	—	—	—
The Market Development Fund	—	98	(98)
Total Consolidated Fund Increase in Amounts Payable to Crown Entities	1,215,469	1,011,610	203,859
Less: Crown Entities Consolidated in Combined Statements:			
Saskatchewan Heritage Fund	566,383	490,736	75,647
	\$649,086	\$ 520,874	\$128,212

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